

# *City of Dover*

## New Hampshire

### **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2017

**CITY OF DOVER, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**

**Prepared by:**  
**The Finance Department**

**Daniel R. Lynch**  
**Finance Director**



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## INTRODUCTORY SECTION



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## *City of Dover, New Hampshire* OFFICE OF THE CITY MANAGER

December 28, 2017

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This Comprehensive Annual Financial Report (CAFR), including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2017.

The CAFR covers all funds of the City of Dover that by law, City Charter, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility for providing services.

This report consists of management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Macpage, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unmodified opinion that the financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.



The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with federal funding requirements, with special emphasis on internal controls and requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the City's MD&A section found immediately following the report of the independent auditors.

### **Profile of Government**

**Geography** Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles. According to the U.S. Census Bureau, the City has an estimated population of 31,233, a 4.1% increase over the last official census of April 2010 number of 29,987.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter adopted on March 9, 1977, remained in effect until a new charter was passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. On November 6, 2007, the charter was amended establishing a limitation on annual budget increases. On November 10, 2010 the New Hampshire Supreme Court ruled that the November 6, 2007 charter amendment is invalid since it is contrary to state law. In the 2011 session of the State legislature, authorization for municipalities to adopt charter amendments for budget or tax levy limitations was enacted. On November 8, 2011 the charter was amended to change the language establishing the limitation on annual budget increases to a limitation on annual property tax levy increases. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.



**Services** The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

**Governing Boards** The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital improvements program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

**Administration** Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

**Fiscal Year and Budget** The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$25,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, appropriation in the annual operating budget or other type of financing.



Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year, which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

### **Factors Affecting Financial Condition**

**Local Economy** The local economic environment continues to demonstrate improvement over past fiscal year through growth in many sectors. Advanced manufacturing clusters, computer and staffing services, mixed use/multi-unit residential construction and healthcare related businesses have expanded and continue to be attracted to Dover. Retail businesses experienced mixed, but mostly positive results. Dover continues to attract new restaurants and brewpubs with some traditional restaurants experiencing the challenges of increased competition.

Economic development activity continues to support local business retention and expansion. Financing for small businesses and startups, though challenged with increased banking regulations and slightly higher interest rates has improved moderately in the last fiscal year.

Through consistent outreach efforts, supported by pro-business attitudes within city government, convenient services for businesses and developers, and Dover's enhanced quality of life, over 90 new or expanded businesses have been attracted to Dover with 770 employees during the past seven years.

Dover has benefited by geographic factors which create a positive location for Dover to prosper economically. Dover is halfway between Portland, ME and Boston, MA, thirty minutes from the ocean and an hour from the mountains. From a transportation perspective, Dover is close to the I-95 corridor and serviced by the AMTRAK Downeaster transit system. The regional proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard add stability and diversity to the region's economic mix and enhance Dover as a viable business location and tourism destination.

Between 2000 and 2016, Dover was the fastest growing city in New Hampshire and continues to be an attractive community for a younger median age of population, and with families. Dover continues to show a 10.4% growth rate in households with children under the age of eighteen. The labor force of Dover has continued to grow about 1% per year with slight variations above and below that trend line.

Dover's local current unemployment rate is 2.2% which is 0.4% lower than this time last year. The City's unemployment rate has consistently been lower than that of the United States as a whole, (4.5%) and the State of New Hampshire (2.7%).

In combination with the current economic environment and unemployment levels the median per capita income in Dover was \$32,865, median household income was \$61,864, and median family income was \$81,321

Mixed use, manufacturing, and residential, development has increased sharply during the fiscal year. This includes new mixed use buildings with commercial on the first floor and residential above, as well as medical buildings on Pointe Place, Silver Street and in the urban core. The 2015/2016 opening of the Police Station combined with a public parking garage on part of the city's Orchard Street parking lot is already contributing to the vibrancy of the downtown area. The Cochecho Waterfront Development Advisory Committee (CWDAC) has released a request for proposals for developers to implement the vision for the waterfront, as laid out by Dover's consultant, Union Studio. CWDAC crafted a layout with infrastructure plans which create a clean and developable parcel to market to the private sector for redevelopment. Smaller rehabilitation projects along Central Avenue have continued.

Phase 1 of the First Street development, a \$10,100,000 mixed use development, is completed with full residential occupancy. At full build out, the project is expected to provide a minimum of \$275,000 annual property tax revenue guaranteed for at least 24 years. The City sold the Third Street parking lot to a developer, who received Planning Board and City Council approval to create two (2) mixed use buildings with commercial on the first floor. This redevelopment will include residential and commercial uses on the site, as well as maintain approximately 26 parking spaces for use by the public.

Additionally, the Planning Board approved a mixed use redevelopment at the corner of Chapel and Mechanic Streets and Third and Grove Streets. These projects have a combined 45 residential units and first floor commercial, with the intention of attracting retail and restaurant users. Finally, the Planning Board approved a conversion of 40,000 square feet of vacant industrial space within a former mill to 54 residential units. These downtown infill projects will continue to keep the City core vibrant.

To assist with private redevelopment of properties in downtown, the City Council passed a resolution to enable the City Council to review applications under the State's Community Revitalization Tax Credit program. This program allows private



property owners to take advantage of a tax relief period in the immediate years following a redevelopment.

The City Council approved a Land Development Agreement with prospective developers of property bounded by Washington, Chestnut and Locust Streets. This mixed use project will construct a new intersection at Washington and Chestnut Streets as well as create a building with a post redevelopment assessed value of over eleven (11) million dollars. The Council reviewed and approved an application for use in the Community Revitalization Tax Credit district for this project. The pre-redevelopment value of the property is approximately \$1,300,000. Post development value is guaranteed to reach a minimum of \$11,000,000, five years after the issuance of the Certificate of Occupancy. The Planning Board will review and consider this site plan in November/December 2017.

The Dover Business and Industrial Development Authority continues to search for appropriate sites for a second business park development. The funding for this business park has been approved in the FY2015 CIP. A new park would add depth to Dover's non-residential market, and would allow for more diversity in footprints, so that Dover would continue to be an attractive location for businesses looking for development sites ranging from 25,000 square feet buildings to over 100,000 square feet. Currently, Dover has not fully taken advantage of this potential but is making progress in acquiring two sites for this purpose.

The Exit 9 corridor off the Spaulding Turnpike, in addition to the 100,000 square feet medical practice building in full occupancy, now has a large dental facility and a dialysis center in operation, both with significant business success and full employment. This corridor, anchored by Liberty Mutual, continues to attract larger commercial and industrial users to the City and continues to be a benchmark for economic development activities. Two small strip malls and a large storage facility are currently under construction.

In 2015, the City Council approved a Land Development Agreement with a property owner on Mast Road, leading to approximately 400,000 square feet of Planning Board approved industrial space. The Mast Road development was completed on time and a phased Stonewall Kitchens complex that may cover 279,000 SF when complete as well as a corrugated conversion building site for Rand-Whitney covering 129,000 SF. In addition, Stonewall Drive has been completed.

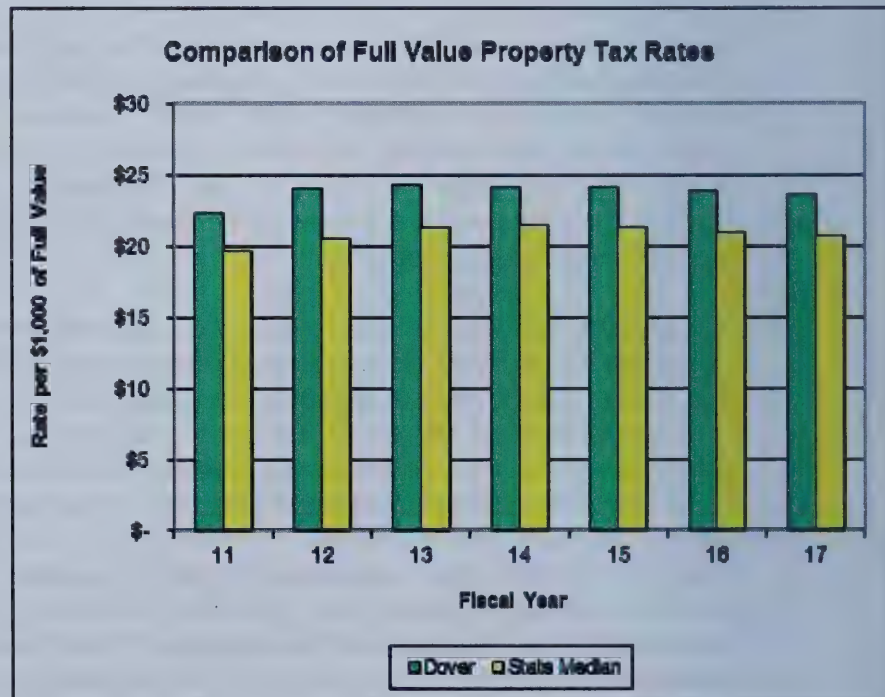
The City Council also approved a Land Development Agreement for a former McIntosh College property at 181 Silver Street. This public/private partnership allowed for the development of roadway infrastructure in association with a \$30 Million development incorporating a high-end assisted Living facility, rehabilitation of a hotel, a medical practice building, a branch bank and a restaurant/ coffee shop on the site. A site plan was approved by the Planning Board in 2016, and the hotel and restaurant have opened. Construction continues on the assisted living facility. The public roadway improvements were completed and are improving traffic flow on Silver Street.

The City Council also approved a land development agreement for a mixed use development on Pointe Place, located off Dover Point Road. This project includes single family homes, as well as 4 mixed use buildings, with 60,000 square feet of commercial space on the first floor, and apartments above. The public private partnership also include the construction of two multi-use ball fields, the donation of park land to the City and public access to conservation land located off Dover Point Road. The multi-use fields have been completed, and donated to the City the roadway base course is complete and the first of two of the mixed use buildings is complete. The second should be completed in late 2017. The tax guaranteed value of the project is \$7,000,000 in tax year 2019, and \$17,000,000 in a tax year to begin 5 years after the mixed use building is completed.

Over the past 18 months the Planning Board and the City Council have rezoned over 150 acres of land from residentially zoned uses (primarily single family) to commercial/industrial uses. These changes were vetted with the public and while not easy decisions to make, ones the City's policy makers understood were necessary for the long term economic viability of the Community.

The number of motor vehicle registrations saw an increase with 32,625 in FY17 as compared to 31,254 in FY16. The number of building permits increased from 461 in FY16 to 537 in FY17 and the average permit value increased from \$127,036 to \$223,178.

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.

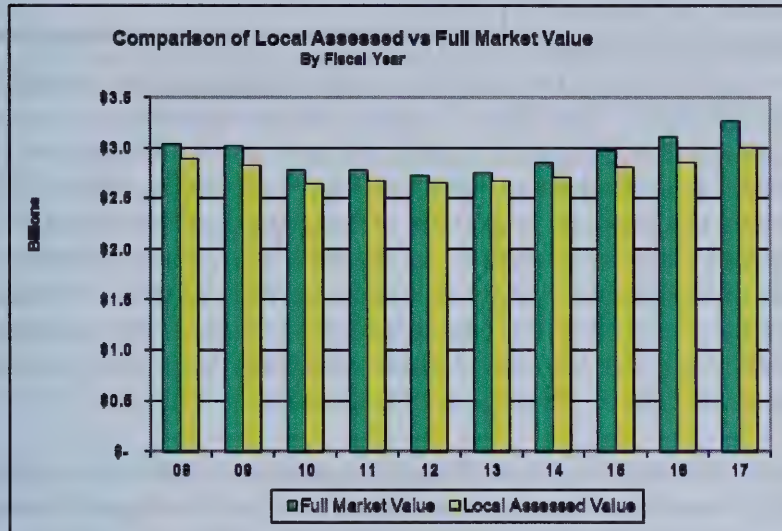


The real estate sales activity in Dover for FY2017 was 1,023 transactions versus 1,009 for FY2016. This level of activity represents transfers of 10.1% of taxable parcels during FY17, slightly higher than the level of 10.0% in FY16. In conjunction with this activity, the number of taxable parcels increased from 10,092 in FY16 to

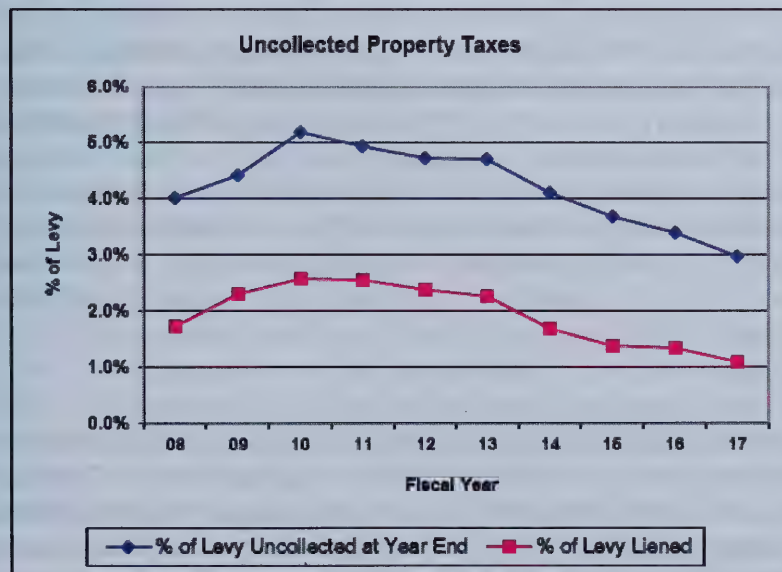


10,139 in FY17, less than a 1% increase. The volume of taxable parcels in combination with an increase of property values has resulted in the estimated equalized property value per capita changing from \$99,979 for FY16 to \$104,267 in FY17, an increase of 4.3% for the fiscal year.

Full market value as determined by the NH Department of Revenue Administration



increased 4.88% during the fiscal year. Assessed value as a ratio of full market value was 92.0%. In fiscal year 2017 the City's assessed property values appeared to have increased based on sales data. As of April 1, 2017 the City's overall assessed values demonstrated a 7.4% increase in value over the prior year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2017 was 2.9% (the actual amount changed from \$2.5 million to \$2.3 million). There were 221 parcels from the current tax levy with outstanding taxes that had a lien placed, a decrease from 250 last year. The number of delinquent parcels decreased by 29, or 2.9 percent and the actual amount of the lien changed from \$1,023,574 to \$884,104.

**Financial Position** The City's General Fund ended Fiscal Year 2017 with an increase to its Unassigned Fund Balance of \$2,707,381 to \$19.2 million. The General Fund unassigned fund balance at June 30, 2017 was 17.2% of the FY18 budget (15% is the minimum requirement of the City Financial Policies). The Water

Unrestricted Net Assets		
Fund	FY17	FY16
General	19,236,386	16,529,005
Water	(7,590,576)	(624,742)
Sewer	(439,243)	(1,990,449)
Total	11,206,567	13,913,814

Fund saw a decrease in unrestricted net assets of \$6,965,834, from a deficit of \$624,742 to a deficit of \$7,590,576. The Water Fund decrease is primarily the result of the additional restriction of net position for capital outlay based on the capital plan and certain capital asset additions that were not funded by debt during FY2017. The City's water infrastructure is undergoing a system wide upgrade. The Sewer Fund saw an increase in unrestricted net assets of \$1,551,206, from a deficit of \$1,990,449 to a deficit of \$439,243. A significant portion of the change in unrestricted net assets of the Sewer Fund is the result of operations, investments in capital assets financed through the use of a state revolving loan program, and contributed infrastructure assets during the current fiscal year.

The liquidity of the General, Water and Sewer Funds is good and continues to show a favorable trend. This is based on the quick ratio which is a measure of current assets (excluding inventories) divided by current liabilities. The General Fund had a quick ratio of 1.38 with Water and Sewer Funds of 0.95 and 5.36, respectively. A ratio of 1 is considered satisfactory.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2017 the City had utilized 53.5% of its statutory debt limit, the School District utilized 41.9% of its statutory debt limit, and the Water Fund had utilized 12.7% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2017 the percent of the City's more conservative debt policy used was 57.6%, the School District is at 136.1% of the City Council self-imposed policy limit as a result of debt financing a new high school. General Fund net debt per capita is at \$4,018. The General Fund's net debt to equalized value is 3.84%. The General Fund's net debt service as a percent of budget is 9.96%. This measure is close to the 10% limit recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt.



The Water fund is at 112.2% of the City Council self-imposed policy limit. The Sewer fund remained within the City Council self-imposed policy limits with 42.3% being utilized. Net debt service to budget in the Water Fund is 30.69% and 27.97% within the Sewer Fund, within the 40% set by policy.

In November 2017 Standard & Poor's reaffirmed the City's April 2015 AA+ rating.

### **Policy Monitoring, Long Term Financial Planning, and Responding to Economic Impacts**

On April 27, 2011 the City Council adopted a resolution to implement a set of 32 financial policies. These adopted policies include maintaining all of the existing policy statements adopted in 1996 with updates to several of the benchmark indices. In addition, several new policy statements were also included reflecting the most current best practices identified by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. On an annual basis the City Council is provided with a Financial Policy Scorecard documenting the City's compliance with benchmarks established in the policies.

The City Council routinely adopts fiscal initiatives to respond to the changes in the economy that have resulted in impacts such as declines to non-property tax revenues and the community's tolerance for tax increases. The City Council continues to limit the adoption of bonding authorizations to be consistent with the annual amount of debt being retired by the City's tax supported General Fund. The objective of this initiative is to move the City away from recurring debt financing and funding capital reserves at an appropriate level to move from debt financing certain capital outlay. These actions are consistent with the City's Debt Issuance and Management financial policies.

In Fiscal Year 2016, the City Council amended the City's financial policy relative to maintaining a minimum 8% unassigned fund balance in the General Fund to a level of 15%. A copy of the financial policies adopted by the City Council is available on the City's website.

The City Manager and City Department Directors conduct an on-going evaluation of fiscal operations to insure that expenditures are managed in concert with revenues to ensure General Fund Balance is maintained consistent with City policy limit of 15%. In FY2017 the City complied with the General Fund Balance policy by achieving an Unassigned Fund Balance of 17.2%. In response to past U.S. economic declines and the national rating agencies placing importance on municipalities increasing operating reserves, the City managed fiscal operations to increase General Fund operating reserves in FY2017.

In FY2017 the City was successful in contributing 30% of the actuarially calculated OPEB Annual Required Contribution to an established OPEB irrevocable trust. This action is consistent with the City's financial policy objective for managing and prefunding the City's OPEB obligations. FY2017 represents the sixth year in a row that the City has funded a percentage of the OPEB Annual Required Contribution. As of June 30, 2017, \$5.4 million was in the OPEB Trust, invested in common with the other trust funds maintained by the City. In Fiscal Year 2018 the City anticipates contributing \$1.2 million into the OPEB Trust.

In FY2017 the City, consistent with financial policies, maintained sufficient annual contributions into the General Fund Capital Reserve, Water Fund Capital Reserve and Sewer Fund Capital Reserve.

The City recognizes the importance of a formal process for long term financial planning and forecasting. The City continues to utilize a formal forecasting software application to aid in financial planning. The City utilizes this tool to provide insight to evaluating policy recommendations. The software is utilized to provide formal fiscal forecasting reports complete with national, regional, and local economic overviews and a 5-year projection of both General Fund operations and tax levy impacts as part of the budget process.

### **Acknowledgements**

This report continues to refine the financial reporting of the City. This is the twelfth year the City has produced a comprehensive annual financial report (CAFR).

This report includes the continuing implementation of Governmental Accounting Standards Board's (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement from the City, is incorporated into the financial statements and the footnotes. Although the standard requires implementation for the fiscal year ended June 30, 2018, the City elected to implement this standard early, during the year ended June 30, 2016.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded thirteen consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report.



The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



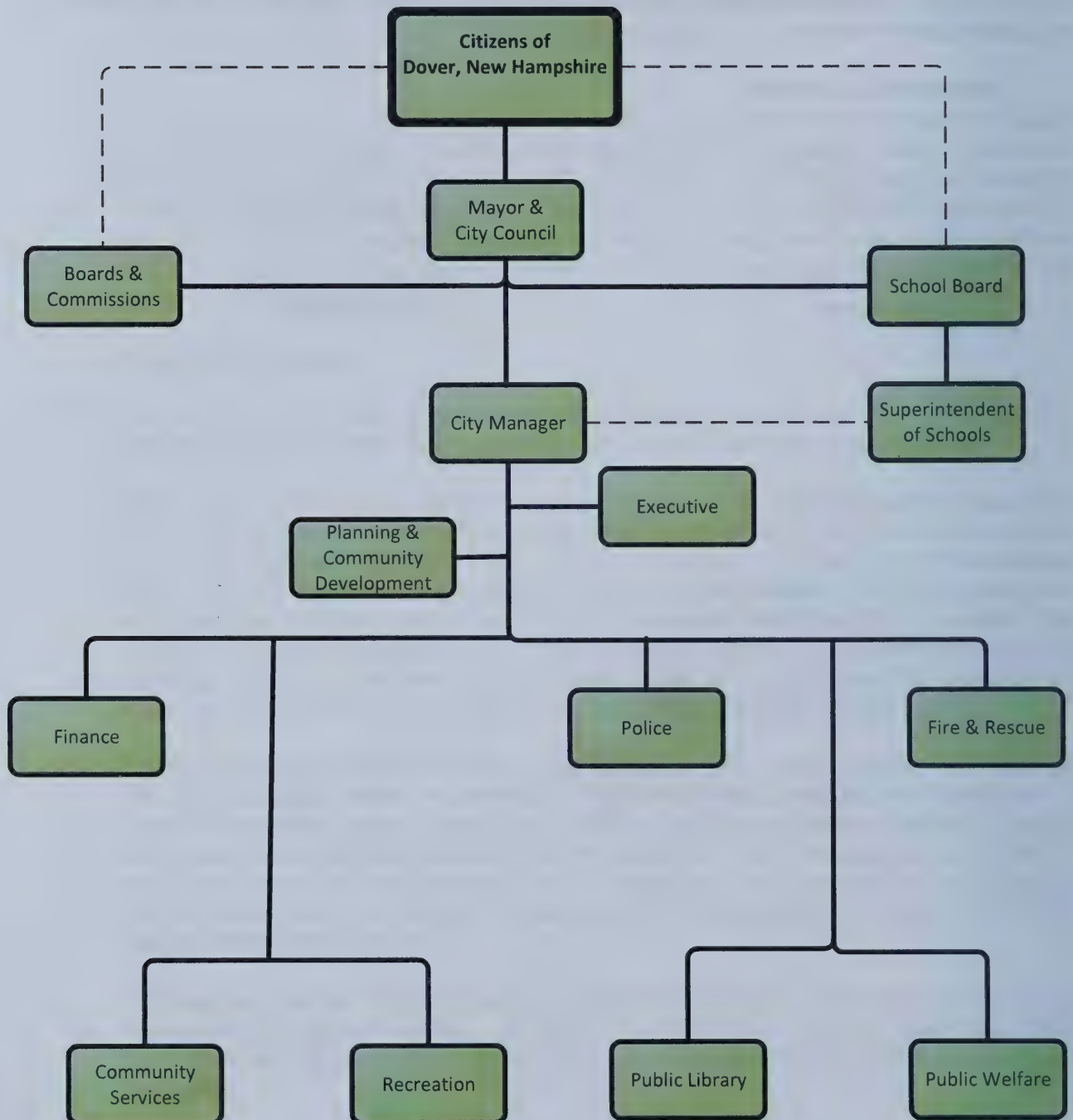
J. Michael Joyal, Jr.  
City Manager



Daniel R. Lynch  
Finance Director



## City of Dover, NH Organizational Chart







# ***City of Dover***

## **New Hampshire**

FISCAL YEAR 2017

### **City Council Members**

Mayor: Karen Weston

Ward 1: John O'Connor

Ward 2: Dennis Ciotti

Ward 3: Deborah Thibodeaux

Ward 4: Marcia Gasses

Ward 5: Dennis Shanahan

Ward 6: Jason Gagnon

At Large: Robert Carrier

At Large: Sarah Greenshields

### **City Manager**

J. Michael Joyal, Jr.

### **Departments**

Finance

Planning

Police

Fire and Rescue

Community Services

Public Library

Recreation

Public Welfare

Daniel R. Lynch

Christopher G. Parker

Anthony F. Colarusso, Jr.

Eric Hagman

John Storer

Cathy Beaudoin

Gary Bannon

Lena C. Nichols

### **School Board**

At Large: Keith Holt

At Large: Matthew Lahr

At Large: Amanda Russell

At Large: Betsey Andrews Parker

At Large: Carolyn Mebert

At Large: Kathleen Morrison

At Large: Michelle Muffett-Lipinski

Student Liaison: Noah Schwartz

### **Superintendent of Schools**

Dr. William R. Harbron



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Dover  
New Hampshire**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO



**FINANCIAL  
SECTION**

## Independent Auditors' Report

To the Mayor and City Council  
City of Dover, New Hampshire

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.





## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 32, the Schedule of funding Progress on page 88, the Schedule of Proportionate Share of the Net Pension Liability on page 90, and the Schedule of Contributions on page 91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements. The introductory section on pages 1 - 12, supplementary statements and schedules on pages 101 - 150, and statistical tables on pages 153 - 178, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 28, 2017, on our consideration of City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dover's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dover's internal control over financial reporting and compliance.

*Macpage LLC*

South Portland, Maine  
December 28, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2017. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

### **A. OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows on resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation.

The business-type activities include water and sewer utilities, and Dover Business and Industrial Development Authority (DBIDA) activities.

**Fund financial statements** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.



**Governmental funds** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with adopted budgets.

**Proprietary funds** Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and sewer utilities, and DBIDA operations. The operations of the arena were previously accounted for as an enterprise fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are used to account for central data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis. The City uses an OPEB internal service fund to centrally account for the pay-as-you go retiree's insurance costs paid by other departments in the city.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, and DBIDA operations, all of which are considered to be major funds. The operations of the arena were previously reported as a propriety fund. Fiscal Year 2017 represents the eighth year since the Arena Fund was dissolved into the General Fund. The Arena cumulative operating results, inclusive of related debt obligations, were revenues in excess of expenditures of \$77,149 during this eight year period.

**Fiduciary funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

## **B. FINANCIAL HIGHLIGHTS**

- As of the close of the current fiscal year, the total of assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,803,295 (i.e., net position), an increase of \$11,511,996 in comparison to the prior year.
- As of the close of the current fiscal year, total assets of governmental activities exceeded liabilities by \$29,476,655 (i.e., net position), an increase of \$7,492,013 in comparison to the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$66,326,640, an increase of \$4,019,983 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$74,373,939, a decrease of \$28,457,743 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,236,386, an increase of \$2,707,381 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$174,255,779, an increase of \$50,903 in comparison to the prior year.

## **C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, change in net position may serve over time as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, total net position was \$95,803,295, an increase of \$11,511,996 from the prior year.



**Financial Position** The following is a summary of condensed government-wide financial data of net position for the current and the prior fiscal year.

NET POSITION

Amounts presented in 000s

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$ 101,610	\$ 121,621	\$ 17,789	\$ 17,787	\$ 119,399	\$ 139,408
Capital Assets	211,999	180,320	88,366	79,054	300,365	259,374
Total Assets	\$ 313,609	\$ 301,941	\$ 106,155	\$ 96,841	\$ 419,764	\$ 398,782
Deferred Outflows of Resources	\$ 27,407	\$ 11,651	\$ 1,328	\$ 1,008	\$ 28,735	\$ 12,659
Liabilities:						
Long-term Liabilities	\$ 275,857	\$ 265,740	\$ 34,595	\$ 27,212	\$ 310,452	\$ 292,952
Other Liabilities	23,740	15,269	5,713	7,671	29,453	22,940
Total Liabilities	\$ 299,597	\$ 281,009	\$ 40,308	\$ 34,883	\$ 339,905	\$ 315,892
Deferred Inflows of Resources	\$ 11,942	\$ 10,598	\$ 848	\$ 659	\$ 12,790	\$ 11,257
Net Position:						
Net Investment in Capital Assets	\$ 114,917	\$ 102,213	\$ 56,569	\$ 54,216	\$ 171,487	\$ 156,429
Restricted	4,690	5,017	16,676	9,583	21,366	14,600
Unrestricted (Deficit)	(90,131)	(85,246)	(6,919)	(1,492)	(97,050)	(86,738)
Total Net Position	\$ 29,476	\$ 21,984	\$ 66,326	\$ 62,307	\$ 95,803	\$ 84,291

By far, the largest portion of net position, \$171,487,442, reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less depreciation and any related debt net of cash held that is used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$21,366,369 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net position at the end of the fiscal year of \$(97,050,516).

The unrestricted net position balance consists of a deficit of \$90,131,383 for governmental activities and a deficit of \$6,919,133 for business-type activities. The governmental activities net position include the reflection of major liabilities of Bonds and Loans Payable of \$144,889,804, the Tolend Road Landfill mitigation of \$11,768,797, compensated absences of \$3,517,681, OPEB (Other post-employment benefits) obligations of \$35,544,176 as reported in accordance with new Government Accounting Standards Board's Statement 75, and Net pension liability of \$79,902,131, representing the City's estimated portion of the New Hampshire Retirement System's pension liability.

The \$11,768,797 for Tolend Road Landfill mitigation represents the post mitigation maintenance and monitoring costs. This estimated liability increased by \$298,334 from the prior year. The post mitigation maintenance and monitoring costs represent an increase based upon estimates derived from actual costs incurred during the prior three fiscal year period of FY2017 through FY2015. The maintenance and monitoring costs of \$11,768,797 (30-year estimated cost) are expected to be financed within the annual operating budget, as needed.

The \$3,517,681 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$118,107 from the prior year. The City and School has funded \$103,166 of the liability.

The \$35,544,176 OPEB liability represents the portion of the liability accrued to the governmental funds. This liability is based upon implementation of Governmental Accounting Standards Board (GASB) Statement No. 75. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. In accordance with GASB Statement No. 75 the liability reflected in the financial statements is the actuarial determined 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

<b>Group</b>	<b>Eligible Employees and Retirees</b>	<b>Average Total Liability per Person</b>
City	350	\$ 107,073
School	386	1,911
Combined	<u>736</u>	<u>\$ 108,984</u>

In FY2014 the City established an irrevocable OPEB trust to pre-fund the City's actuarial determined liability. The City transferred an amount equal to 30% of the actuarial determined OPEB Actuarially Determined Contribution (ADC) to the OPEB Trust during FY2017. As of June 30, 2017 the City has \$5,416,493 in assets in the OPEB Trust. The City plans to contribute \$1,253,900, representing 30% of the ADC, to the OPEB Trust in FY2018.

Please refer to the Financial Statement footnote 16 and Required Supplemental Information for more on the OPEB liability.



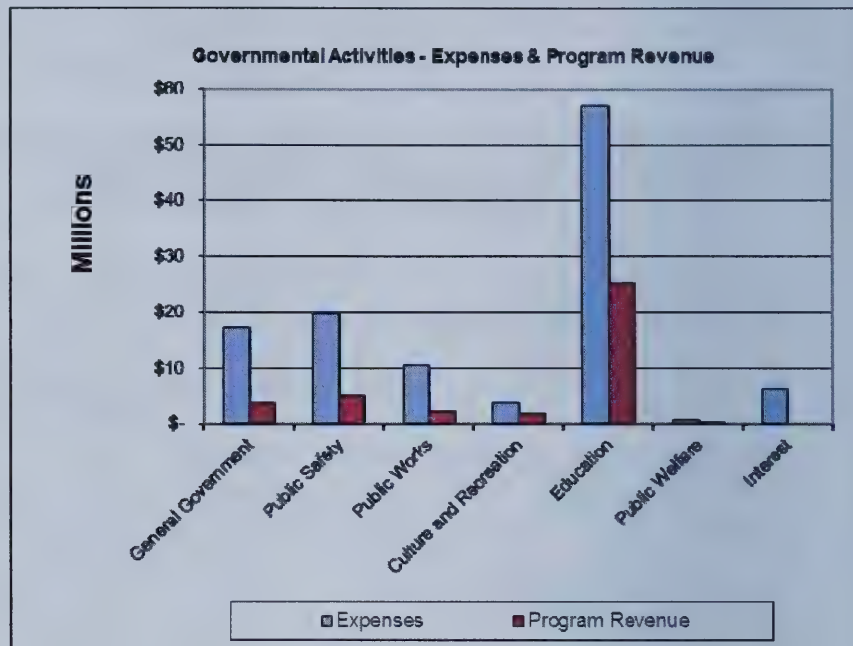
**Financial Results** The following is a summary of condensed government-wide financial data of changes in net position for the current fiscal and prior fiscal years.

CHANGE IN NET POSITION						
Amounts presented in 000s						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 15,324	\$ 14,755	\$ 11,897	\$ 11,927	\$ 27,221	\$ 26,682
Operating grants and contributions	21,512	15,357	-	-	21,512	15,357
Capital grants and contributions	989	674	643	51	1,632	725
General revenues:						
Property taxes	77,341	73,815	-	-	77,341	73,815
Motor vehicle registration	5,290	4,993	-	-	5,290	4,993
Penalties and interest on taxes	368	375	-	-	368	375
Investment income (loss)	998	242	35	26	1,033	268
Other	69	134	-	-	69	134
Total Revenues	121,891	110,345	12,575	12,004	134,466	122,349
Expenses:						
General government	17,207	16,885	-	-	17,207	16,885
Public safety	19,556	17,559	-	-	19,556	17,559
Public works	10,504	8,354	-	-	10,504	8,354
Culture and recreation	3,573	3,673	-	-	3,573	3,673
Education	56,830	53,314	-	-	56,830	53,314
Public Welfare	706	677	-	-	706	677
Interest on long-term debt	6,146	3,635	842	771	6,988	4,406
Water operations (1)	-	-	3,210	2,946	3,210	2,946
Sewer operations (1)	-	-	4,216	5,453	4,216	5,453
DBIDA operations	-	-	164	161	164	161
Total Expenses	114,522	104,097	8,432	9,331	122,954	113,428
Change in Net Position before Transfers	7,369	6,248	4,143	2,673	11,512	8,921
Transfers in (out)	123	123	(123)	(123)	-	-
Change in Net Position	7,492	6,371	4,020	2,550	11,512	8,921
Net Position - beginning of year	21,984	15,613	62,307	59,757	84,291	75,370
Net Position - end of year	\$ 29,476	\$ 21,984	\$ 66,327	\$ 62,307	\$ 95,803	\$ 84,291

(1) Excludes interest on long-term debt reflected separately.

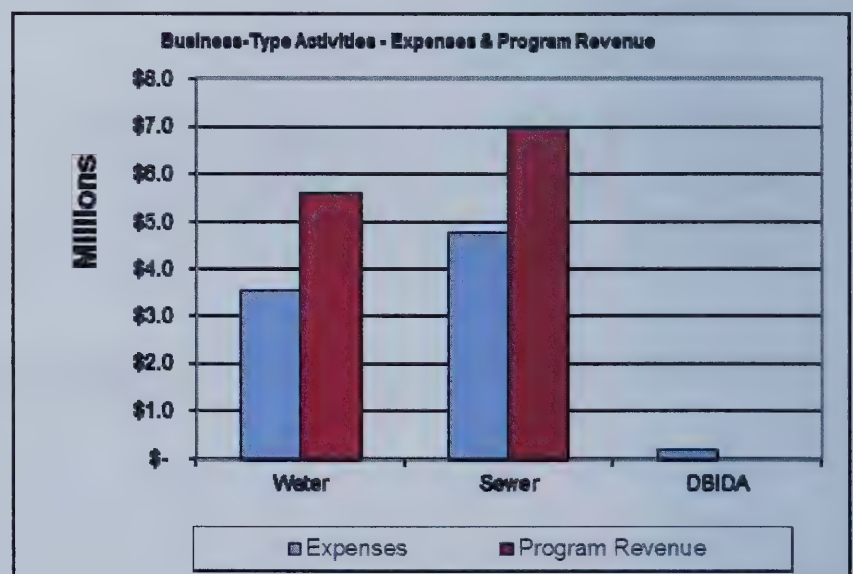
**Governmental activities** Governmental activities for the year resulted in an increase in net position of \$7,492,013. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$2,829,348.
- Acquisition of capital assets of \$39.3 million.
- Expenditures in excess of revenues of \$27 million for the CIP FY 16 and \$4 million for non-major government funds.
- A decrease in the OPEB Liability of \$6.8 million.
- An increase in the net pension liability of \$23.7 million.
- Increase in the landfill post-closure liability of \$298,334.



**Business-Type Activities** Business-type activities for the year resulted in an increase in net position of \$4,019,983 or 6.5%. Key elements of this change are as follows:

- The Water Fund increased net position by \$2,001,264 or 8.2%. This consists mainly of operating activities resulting in income of \$1,776,839.
- The Sewer Fund had an increase in net position of \$2,031,934 or 5.5%. This consists mainly of an operating income of \$1,548,707.





#### D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

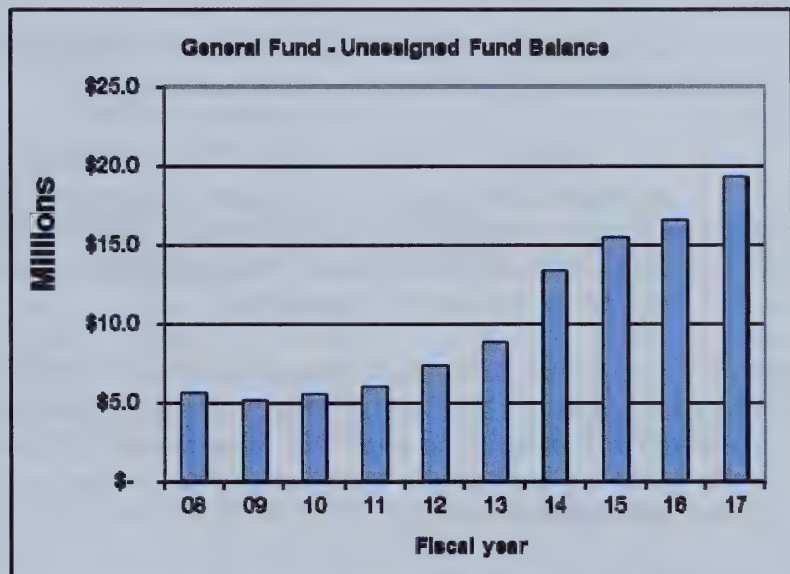
**Governmental funds** The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources.

Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$74,373,939, a decrease of \$28,457,743 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of \$2,707,381 and an increase in non-spendable, committed and assigned balances of \$121,967.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$19,236,386, while total fund balance

was \$22,340,084. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.04 percent of total general fund expenditures, while total fund balance represents 22.11 percent of that same amount.



The unassigned fund balance of the general fund increased by \$2,707,381, or 16.38%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance, on a budgetary basis, of \$2,932,817 from excess of revenues and other sources over expenditures and other uses, consisting of \$419,666 of revenues above budget estimates (exclusive of Other Financing Sources) and \$2,497,535 of expenditures under budget estimates (exclusive of Other Financing Uses). Revenue items in excess of budget estimates consist mainly of \$314,633 in taxes and tax interest, \$290,190 for motor vehicle permits, and \$352,177 for building permits. Revenue shortfalls consist mainly of \$97,580 in sales and service charges, \$13,165 in intergovernmental reimbursements, and \$346,008 in Tuition revenue for the school district. Unencumbered appropriations consisted mainly of \$126,796 for General Government, \$350,280 for Public Safety, \$5,438 for Public Works, \$125,826 for Culture and Recreation, \$123,262 for Public Welfare and \$665,731 for Debt Service. The School Department had unencumbered appropriations of \$1,100,202.
- An increase to fund balance of \$281,576 for a decrease in deferred property tax revenue.
- A decrease to fund balance of \$27,692 for an increase in the reserve for advances to the McConnell Center Fund.
- An increase to fund balance of \$219,505 for a decrease of carryover appropriations reserved for future years capital outlay. In accordance with City Charter, capital outlay appropriations shall continue in force for three years or until the purpose for which the appropriation was made has been completed, whichever time period is shorter.

In FY 2015 the City Council adopted the City's FY2016 Capital Improvements Program. The FY16 Capital Improvement Projects Fund that was established to account for the Governmental Activities related projects, which includes a new high school and regional career technical center, is reported as a major fund in the FY2017 Financial Statements.

**Proprietary funds** Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to a deficit of \$6,919,133. This amount consists of the Water Fund with a deficit of \$7,590,576, the Sewer Fund with a deficit of \$439,243, and the Dover Business and Industrial Development Fund (DBIDA) with a balance of \$1,110,686.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.



## **E. GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$1,348,575. This consists of City Council adopted appropriations of \$1,347,797 for transfer to capital reserve fund the amount received by the City as settlement of suit against the State of New Hampshire for Adequate Education funding, \$130,720 for abatements, and \$129,942 decrease for intergovernmental payment to the county.

Unspent General Fund appropriations were due to several factors including consistent monitoring and managing of expenditures and a year-end level of under-expenditures (including transfers) of approximately 2.3%.

## **F. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets** Capital assets for governmental and business-type activities at year-end amounted to \$300,365,202 (net of accumulated depreciation), an increase of approximately \$40,991,488 from the prior year. This investment in capital assets includes land, buildings and system improvements, and machinery and equipment. The following yearly comparison shows net capital assets by category:

### **Capital Assets (000s) (net of depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	2017	2016	2017	2016	2017	2016
Land	\$ 14,806	\$ 14,842	\$ 1,785	\$ 1,785	\$ 16,591	\$ 16,627
Buildings and improvements	91,306	92,617	14,189	14,703	\$ 105,495	107,320
Machinery and equipment	7,248	7,781	4,387	5,105	\$ 11,635	12,886
Infrastructure	39,149	39,510	44,970	44,635	\$ 84,119	84,145
Construction in Progress	59,490	25,570	23,035	12,826	\$ 82,525	38,396
Total Assets	\$ 211,999	\$ 180,320	\$ 88,366	\$ 79,054	\$ 300,365	\$ 259,374

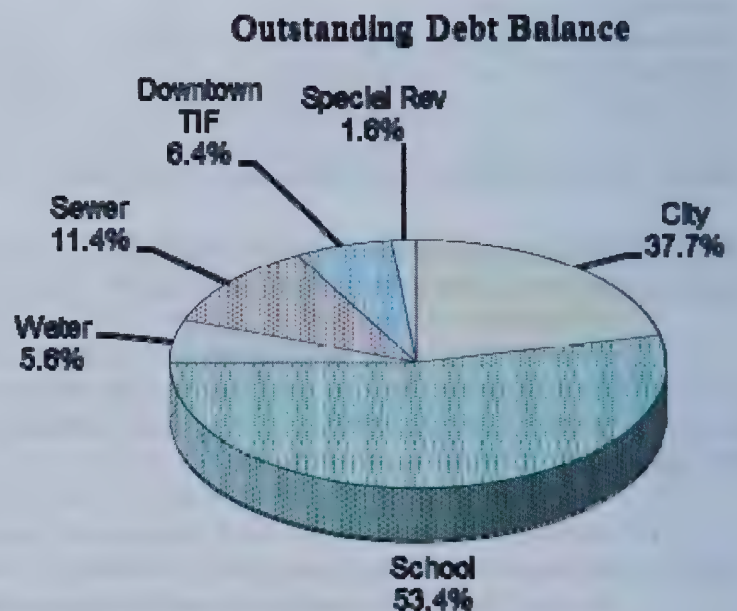
Major capital asset events during the current fiscal year included the following:

- Additions to Building and Improvements for governmental activities for the year included the completion of chimney restoration at the Public Library. The installation of ventilators for the Public Library. The installation of energy efficient lighting at the Community Services facility located at Mast Road. The Arena Locker Room renovations and rink improvements were completed. The Middle School installed a new water heater, and the McConnell Center made some HVAC improvements.
- Purchases of Machinery and Equipment included Police department vehicle replacements, heavy equipment for snow removal and construction equipment for the Public Works department, the purchase of an Ambulance for the Fire Department, and traffic signal improvements.

- The governmental activities infrastructure change includes additions for the reconstruction and repairs to Central Avenue Bridge, Nelson Street reconstruction, improvements made to Henry Law Park playground, and general street, sidewalk and drainage improvements.
- The governmental activities construction in progress relates mainly to Public Works projects for the Tolend Road Landfill post-closure and mitigation project, the Cocheco Dredge Cell Project, bridge replacement on Whittier Street. Street improvement projects in progress include Richardson Drive, Keating and Birchwood Streets. The Dover High School and Regional Career Technical Center is a major project that is construction in progress.
- Increases to the Business-type activities infrastructure category include the Wastewater Treatment Plant upgrades. Improvements donated to the City as part of the Tolend Road Landfill remediation connection to the City's Sewer system, Water main installation on Silver Street, wellhead protection for the public water supply, inflow and infiltration and mitigation of storm-water runoff.
- The additions to the Business-type activities Construction in Progress Improvements are for Water and Sewer Mains located on or near the Spaulding Turnpike, Richardson Drive, Keating and Birchwood Streets. Improvements for the Water System Facilities upgrades, and Pudding Hill Aquifer improvements.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

**Long-term debt** At the end of fiscal year 2017, total long-term debt outstanding was \$174,255,779, a net increase of \$50,903 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City.





### Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 144,571	\$ 151,559	\$ 15,337	\$ 17,586	\$ 159,908	\$ 169,145
Other Long Term Debt	319	516	14,029	4,544	14,348	5,060
Total Long-term Debt	\$ 144,890	\$ 152,075	\$ 29,366	\$ 22,130	\$ 174,256	\$ 174,205

In May 2015, the City defeased a June 2006 general obligation bond and a June 2007 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The June 2006 general obligation bond matured in June 2016 and the June 2007 general obligation bond matured in June 2017. As of June 30, 2017 there are no outstanding defeased debt obligations for both the June 2006 and June 2007 general obligation bonds.

During fiscal year 2017, the City finalized a loan agreement with the State of New Hampshire in the amount of \$10,039,165 to finance upgrades and improvements to the City's wastewater treatment facility. The loan, dated April 27, 2017, requires repayment in annual installments on May 1st of principal plus interest at 2.0%, with final payment due May 1, 2036. The loan is made through a revolving renovation loan fund administered by the New Hampshire Department of Environmental Services. The City has the option to prepay all or any portion of the loan without penalty.

Additional information on long term debt can be found in Note 12 of the Financial Statements.

## **G. NEXT YEAR'S BUDGETS AND RATES**

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

<b>General Fund Budget</b>				
	<b>FY17</b>	<b>FY18</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
City	43,159,347	44,606,628	1,447,281	3.4%
School	56,132,239	58,092,002	1,959,763	3.5%
County	8,513,779	8,713,747	199,968	2.3%
Total Budget	107,805,365	111,412,377	3,607,012	3.3%

The following table reflects the property tax levy amounts for each year.

<b>Property Tax Levies</b>				
	<b>FY17</b>	<b>FY18</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
City	29,853,757	30,795,407	941,650	3.2%
School - Local	30,985,059	34,354,636	3,369,577	10.9%
School - State	6,844,285	6,894,236	49,951	0.7%
Total School	37,829,344	41,248,872	3,419,528	9.0%
County	8,513,779	8,713,747	199,968	2.3%
Total Tax Levy	76,196,880	80,758,026	4,561,146	6.0%

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

<b>Property Tax Rates</b>				
	<b>FY17</b>	<b>FY18</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
City	10.40	9.96	(0.44)	-4.2%
School - Local	10.59	10.91	0.32	3.0%
School - State	2.39	2.23	(0.16)	-6.7%
Total School	12.98	13.14	0.16	1.2%
County	2.91	2.77	(0.14)	-4.8%
Total Tax Rate	26.29	25.87	(0.42)	-1.6%



The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

<b>Utility Funds</b>	<b>FY17</b>	<b>FY18</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Water Fund	5,018,691	5,303,833	285,142	5.7%
Sewer Fund	7,506,400	7,764,561	258,161	3.4%
Total Utility Funds	12,525,091	13,068,394	543,303	4.3%

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

<b>Utility Rates</b>	<b>FY17</b>	<b>FY18</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Water Fund	4.84	4.98	0.14	2.9%
Sewer Fund	8.02	8.52	0.50	6.2%
Combined Rates	12.86	13.50	0.64	5.0%

Discussions of other financial and economic factors are included in the Transmittal Letter.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover  
Municipal Building  
288 Central Avenue  
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

[www.dover.nh.gov](http://www.dover.nh.gov)

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**Statement of Net Position**

June 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current:			
Cash and short-term investments	\$ 84,408,113	\$ 14,219,419	\$ 98,627,532
Investments	9,456,905		9,456,905
Receivables, net of allowance for uncollectibles:			
Property taxes	3,210,694		3,210,694
User fees		2,938,929	2,938,929
Departmental and other	1,854,003		1,854,003
Intergovernmental	708,785	206,564	915,349
Internal balances	1,336,689	(1,336,689)	
Inventory	147,750	423,256	571,006
Other assets	116,194		116,194
Total current assets	<u>101,239,133</u>	<u>16,451,479</u>	<u>117,690,612</u>
Noncurrent:			
Intergovernmental receivables, net		80,894	80,894
Loans receivable, net	371,014		371,014
Investment in land		1,256,732	1,256,732
Capital assets:			
Land and construction in progress	74,296,267	24,820,232	99,116,499
Capital assets, net of accumulated depreciation	<u>137,702,548</u>	<u>63,546,155</u>	<u>201,248,703</u>
Total non-current assets	<u>212,369,829</u>	<u>89,704,013</u>	<u>302,073,842</u>
<b>Total Assets</b>	<u>313,608,962</u>	<u>106,155,492</u>	<u>419,764,454</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>27,407,213</u>	<u>1,328,312</u>	<u>28,735,525</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>Liabilities</b>			
Current:			
Accounts payable	8,301,119	1,129,591	9,430,710
Accrued liabilities	6,140,546	131,349	6,271,895
Retainage payable	1,514,916	686,525	2,201,441
Due to fiduciary funds	7,332,009		7,332,009
Unearned revenue	105,545	3,765,759	3,871,304
Other current liabilities	346,257		346,257
Current portion of long-term liabilities:			
Claims liability	91,000		91,000
Bonds and loans payable	7,180,672	2,759,465	9,940,137
Compensated absences	123,025	17,000	140,025
Total current liabilities	<u>31,135,089</u>	<u>8,489,689</u>	<u>39,624,778</u>
Noncurrent:			
Claims liability, net of current portion	143,000		143,000
Bonds and loans payable, net of current portion	137,709,132	26,606,510	164,315,642
Compensated absences, net of current portion	3,394,656	127,885	3,522,541
Net pension liability	79,902,131	2,415,419	82,317,550
Other post-employment benefits liability	35,544,176	2,669,300	38,213,476
Liability for hazardous waste-site cleanup	11,768,797		11,768,797
Total non-current liabilities	<u>268,461,892</u>	<u>31,819,114</u>	<u>300,281,006</u>
<b>Total Liabilities</b>	<u>299,596,981</u>	<u>40,308,803</u>	<u>339,905,784</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>11,942,539</u>	<u>848,361</u>	<u>12,790,900</u>
<b>Net Position</b>			
Net investment in capital assets	114,917,870	56,569,572	171,487,442
Restricted for:			
Nonexpendable trust principal	2,374,843		2,374,843
Expendable trust principal	162,837		162,837
City and school department grants and projects	2,152,488		2,152,488
Restricted for capital outlay		16,676,201	16,676,201
Unrestricted (deficit)	<u>(90,131,383)</u>	<u>(6,919,133)</u>	<u>(97,050,516)</u>
<b>Total Net Position</b>	<u>\$ 29,476,655</u>	<u>\$ 66,326,640</u>	<u>\$ 95,803,295</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

**Statement of Activities**

For the Year Ended June 30, 2017

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General government	\$ 17,207,327	\$ 2,701,862	\$ 962,021	
Public safety	19,556,049	4,093,742	814,110	
Public works	10,504,381	1,380,754	4,159	\$ 803,304
Culture and recreation	3,572,622	1,649,213	62,026	
Education	56,829,940	5,436,691	19,647,323	
Public welfare	705,534	62,078	21,998	185,562
Interest	6,146,247			
Total Governmental Activities	114,522,100	15,324,340	21,511,637	988,866
<b>Business-Type Activities:</b>				
Water services	3,531,457	4,942,439		639,160
Sewer services	4,736,927	6,954,628		4,458
DBIDA services	164,510			
Total Business-Type Activities	8,432,894	11,897,067	-	643,618
Total	\$ 122,954,994	\$ 27,221,407	\$ 21,511,637	\$ 1,632,484

## General Revenues:

Property tax

Motor vehicle registration tax

Penalties and interest

Unrestricted investment earnings

Other revenue

Transfers in (out)

Total general revenues

Change in Net Position

Net Position:

Beginning of year

End of year

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.



Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business- Type Activities	Total
\$ (13,543,444)		\$ (13,543,444)
(14,648,197)		(14,648,197)
(8,316,164)		(8,316,164)
(1,861,383)		(1,861,383)
(31,745,926)		(31,745,926)
(435,896)		(435,896)
(6,146,247)		(6,146,247)
<u>(76,697,257)</u>		<u>(76,697,257)</u>
	\$ 2,050,142	2,050,142
	2,222,159	2,222,159
	<u>(164,510)</u>	<u>(164,510)</u>
-	4,107,791	4,107,791
<u>(76,697,257)</u>	<u>4,107,791</u>	<u>(72,589,466)</u>
77,340,733		77,340,733
5,289,728		5,289,728
368,115		368,115
998,042	35,523	1,033,565
69,321		69,321
<u>123,331</u>	<u>(123,331)</u>	
<u>84,189,270</u>	<u>(87,808)</u>	<u>84,101,462</u>
7,492,013	4,019,983	11,511,996
<u>21,984,642</u>	<u>62,306,657</u>	<u>84,291,299</u>
<u>\$ 29,476,655</u>	<u>\$ 66,326,640</u>	<u>\$ 95,803,295</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

**Governmental Funds****Balance Sheet**

June 30, 2017

	General	CIP FY 16	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and short-term investments	\$ 75,449,554		\$ 8,958,566	\$ 84,408,120
Investments			9,456,905	9,456,905
Receivables, net of allowance for uncollectibles:				
Taxes	3,210,694			3,210,694
Departmental and other	929,160		876,207	1,805,367
Intergovernmental	2,812		707,401	710,213
Loans			371,014	371,014
Due from other funds		\$ 48,345,880	7,403,621	55,749,501
Advances to other funds	548,494			548,494
Inventory	3,313		75,678	78,991
Other assets	66,194		30,000	96,194
Total Assets	<u>\$ 80,210,221</u>	<u>\$ 48,345,880</u>	<u>\$ 27,879,392</u>	<u>\$ 156,435,493</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	1,591,251	5,273,864	1,383,861	8,248,976
Accrued liabilities	5,468,260	1,328	209,245	5,678,833
Retainage payable	53,023	1,170,315	291,638	1,514,976
Unearned revenues			105,545	105,545
Due to other funds	48,279,819		14,460,955	62,740,774
Advances from other fund			548,494	548,494
Compensated absences	67,543			67,543
Other liabilities	346,257			346,257
Total Liabilities	<u>55,806,153</u>	<u>6,445,507</u>	<u>16,999,738</u>	<u>79,251,398</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	2,063,984			2,063,984
Unavailable revenue - long-term receivables			746,172	746,172
Total Deferred Inflows of Resources	<u>2,063,984</u>	<u></u>	<u>746,172</u>	<u>2,810,156</u>
Fund Balances:				
Nonspendable	3,313		2,450,521	2,453,834
Restricted		41,900,373	4,946,367	46,846,740
Committed	651,658		12,602,112	13,253,770
Assigned	2,448,727			2,448,727
Unassigned	19,236,386		(9,865,518)	9,370,868
Total Fund Balances	<u>22,340,084</u>	<u>41,900,373</u>	<u>10,133,482</u>	<u>74,373,939</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 80,210,221</u>	<u>\$ 48,345,880</u>	<u>\$ 27,879,392</u>	<u>\$ 156,435,493</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.



## Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position

June 30, 2017

<b>Total Governmental Fund Balances</b>	<b>\$ 74,373,939</b>
<ul style="list-style-type: none"> <li>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</li> </ul>	211,998,815
<ul style="list-style-type: none"> <li>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.</li> </ul>	2,810,156
<ul style="list-style-type: none"> <li>Deferred outflows/inflows of resources represent a consumption/acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure or revenue until then, and therefore, are not reported in the funds.</li> </ul>	15,464,660
<ul style="list-style-type: none"> <li>Internal service funds are used by management to account for Dover net, central stores, fleet maintenance, workers' compensation, and OPEB activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.</li> </ul>	783,636
<ul style="list-style-type: none"> <li>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</li> </ul>	(454,987)
<ul style="list-style-type: none"> <li>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:</li> </ul>	
Bonds payable	(137,445,735)
Bond premium	(7,444,069)
Compensated absences	(3,394,656)
Liability for hazardous waste-site cleanup	(11,768,797)
Other Post-Employment Benefits (OPEB) liability	(35,544,176)
Net pension liability	<u>(79,902,131)</u>
<b>Net Position of Governmental Activities</b>	<b>\$ <u>29,476,655</u></b>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

**Governmental Funds****Statement of Revenues, Expenditures and Changes  
in Fund Balances**

For the Year Ended June 30, 2017

	<u>General</u>	<u>CIP FY 16</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 77,229,820		\$ 581,410	\$ 77,811,230
Licenses and permits	6,587,705		603,691	7,191,396
Intergovernmental	2,817,484	\$ 3,741,016	4,635,058	11,193,558
Current services	3,583,074		4,810,881	8,393,955
Education	16,242,376			16,242,376
Miscellaneous	741,840		1,019,268	1,761,108
Total Revenues	<u>107,202,299</u>	<u>3,741,016</u>	<u>11,650,308</u>	<u>122,593,623</u>
<b>Expenditures:</b>				
Current:				
General government	4,773,060		1,025,098	5,798,158
Public safety	16,527,642		1,952,064	18,479,706
Public works	7,077,941	697,543	5,245,505	13,020,989
Culture and recreation	3,370,585		1,625,016	4,995,601
Education	47,858,521	30,000,619	5,583,077	83,442,217
Public welfare	710,019		322,204	1,032,223
Intergovernmental - County tax	8,513,779			8,513,779
Debt service	12,199,949		1,116,396	13,316,345
Total Expenditures	<u>101,031,496</u>	<u>30,698,162</u>	<u>16,869,360</u>	<u>148,599,018</u>
Revenues over (under) expenditures	<u>6,170,803</u>	<u>(26,957,146)</u>	<u>(5,219,052)</u>	<u>(26,005,395)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,005,413		889,107	3,894,520
Transfers out	(6,346,868)			(6,346,868)
Total Other Financing Sources (Uses)	<u>(3,341,455)</u>		<u>889,107</u>	<u>(2,452,348)</u>
Net change in fund balances	2,829,348	(26,957,146)	(4,329,945)	(28,457,743)
Fund Balances, at Beginning of Year	<u>19,510,736</u>	<u>68,857,519</u>	<u>14,463,427</u>	<u>102,831,682</u>
Fund Balances, at End of Year	<u>\$ 22,340,084</u>	<u>\$ 41,900,373</u>	<u>\$ 10,133,482</u>	<u>\$ 74,373,939</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.



## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2017

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ (28,457,743)</b>
<ul style="list-style-type: none"> <li>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <ul style="list-style-type: none"> <li>Capital outlay purchases 39,331,111</li> <li>Depreciation (7,652,246)</li> </ul> </li> <li>Deferred outflows/inflows of resources represents a consumption/ acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure until then. 14,411,966</li> <li>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in unearned revenue. (102,382)</li> <li>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <ul style="list-style-type: none"> <li>Repayments of debt 6,708,409</li> <li>Proceeds from capital lease (47,333)</li> <li>Bond premium amortization 524,052</li> </ul> </li> <li>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due, this amount reflects the change in accrued interest. 107,463</li> <li>Certain expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: <ul style="list-style-type: none"> <li>Increase in liability for compensated absences (121,049)</li> <li>Decrease in OPEB liability 6,857,708</li> <li>Increase in liability for hazardous waste-site cleanup (298,334)</li> <li>Increase in liability for pension expense (23,774,606)</li> </ul> </li> <li>Internal service funds are used by management to account for Dover net, central stores, fleet maintenance, workers' compensation, and OPEB activities. The net activity of internal service funds is reported with Governmental Activities. 4,997</li> </ul>	
<b>Changes in Net Position of Governmental Activities</b>	<b>\$ <u>7,492,013</u></b>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

# **Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund**

**For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues and Other Sources:</b>				
Taxes	\$ 76,970,611	\$ 76,915,187	\$ 77,229,820	\$ 314,633
Licenses and permits	5,643,130	5,893,130	6,568,265	675,135
Intergovernmental	2,155,286	2,211,488	2,198,323	(13,165)
Current services	3,689,057	3,439,057	3,533,692	94,635
Education	15,308,895	16,656,692	16,180,321	(476,371)
Miscellaneous	586,851	586,851	872,610	285,759
Transfers	3,355,757	3,355,757	2,894,796	(460,961)
Total Revenues	107,709,587	109,058,162	109,477,828	419,666
Other sources	95,000	95,000	110,616	15,616
Total Other Sources	95,000	95,000	110,616	15,616
Total Revenues and Other Sources	107,804,587	109,153,162	109,588,444	435,282
<b>Expenditures and Other Uses:</b>				
General Government				
City Council	444,459	444,459	433,734	10,725
Executive	918,106	918,106	875,508	42,598
Finance	1,808,151	1,808,151	1,783,188	24,963
Planning	661,252	671,252	669,596	1,656
Miscellaneous general government	1,004,542	1,035,262	988,408	46,854
Total General Government	4,836,510	4,877,230	4,750,434	126,796
Public Safety				
Police	8,537,733	8,487,733	8,248,279	239,454
Fire	8,610,508	8,610,508	8,499,682	110,826
Total Public Safety	17,148,241	17,098,241	16,747,961	350,280
Community Services - Public Works	6,968,806	7,108,806	7,103,368	5,438
Culture and Recreation				
Recreation	2,140,481	2,140,481	2,069,362	71,119
Public Library	1,300,849	1,300,849	1,246,142	54,707
Total Culture and Recreation	3,441,330	3,441,330	3,315,504	125,826
Public welfare	836,183	836,183	712,921	123,262
Education	49,542,420	50,890,217	49,790,015	1,100,202
Debt Service				
Principal	6,450,244	6,450,244	6,074,135	376,109
Interest	6,415,436	6,415,436	6,125,814	289,622
Total Debt Service	12,865,680	12,865,680	12,199,949	665,731
Intergovernmental - County tax	8,643,721	8,513,779	8,513,779	
Transfers	3,521,696	3,521,696	3,521,696	
Total Expenditures	107,804,587	109,153,162	106,655,627	2,497,535
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 2,932,817	\$ 2,932,817

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.



## Proprietary Funds

## Statement of Net Position

June 30, 2017

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
<b>ASSETS</b>					
Current:					
Cash and short-term investments	\$ 6,890,736	\$ 7,328,683		\$ 14,219,419	
User fees, net of allowance for uncollectibles					
Billed	438,149	622,664		1,060,813	
Unbilled	816,112	1,062,004		1,878,116	
Departmental and other receivables					\$ 48,865
Intergovernmental receivables	188,738	17,826		206,564	
Due from other funds		851,049		851,049	995,953
Prepaid expenses					20,000
Inventory	349,827	73,429		423,256	68,759
Total current assets	<u>8,683,562</u>	<u>9,955,655</u>		<u>18,639,217</u>	<u>1,133,577</u>
Noncurrent:					
Investment in land			\$ 1,256,732	1,256,732	
Intergovernmental receivable		80,894		80,894	
Capital assets:					
Land and construction in progress	8,373,815	16,446,417		24,820,232	
Other capital assets, net of accumulated depreciation	<u>28,822,467</u>	<u>34,723,688</u>		<u>63,546,155</u>	
Total noncurrent assets	<u>37,196,282</u>	<u>51,250,999</u>	<u>1,256,732</u>	<u>89,704,013</u>	<u>-</u>
<b>Total Assets</b>	<u>45,879,844</u>	<u>61,206,654</u>	<u>1,256,732</u>	<u>108,343,230</u>	<u>1,133,577</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>628,515</u>	<u>699,797</u>		<u>1,328,312</u>	
<b>LIABILITIES AND NET POSITION</b>					
<b>Liabilities</b>					
Current:					
Accounts payable	875,854	253,664	73	1,129,591	44,034
Accrued liabilities	66,983	61,559	2,807	131,349	16,425
Retainage payable	446,242	240,283		686,525	
Unearned revenue	3,703,437	62,322		3,765,759	
Due to other funds	2,057,380		130,358	2,187,738	
Current portion of long-term liabilities:					
Claims liability					91,000
Bonds payable	1,125,416	1,634,049		2,759,465	
Compensated absences	<u>5,000</u>	<u>12,000</u>		<u>17,000</u>	<u>55,482</u>
Total current liabilities	<u>8,280,312</u>	<u>2,263,877</u>	<u>133,238</u>	<u>10,677,427</u>	<u>206,941</u>
Noncurrent:					
Claims liability, net of current portion					143,000
Bonds payable, net of current portion	8,692,789	17,913,721		26,606,510	
Compensated absences	40,402	74,675	12,808	127,885	
Net pension liability	981,610	1,433,809		2,415,419	
Other post-employment benefits liability	<u>1,658,419</u>	<u>1,010,881</u>		<u>2,669,300</u>	
Total noncurrent liabilities	<u>11,373,220</u>	<u>20,433,086</u>	<u>12,808</u>	<u>31,819,114</u>	<u>143,000</u>
<b>Total Liabilities</b>	<u>19,653,532</u>	<u>22,696,963</u>	<u>146,046</u>	<u>42,496,541</u>	<u>349,941</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>520,059</u>	<u>328,302</u>		<u>848,361</u>	
<b>Net Position</b>					
Net investment in capital assets	24,035,142	32,534,430		56,569,572	
Restricted for capital outlay	9,890,202	6,785,999		16,676,201	259,974
Unrestricted (deficit)	<u>(7,590,576)</u>	<u>(439,243)</u>	<u>1,110,686</u>	<u>(6,919,133)</u>	<u>523,662</u>
<b>Total Net Position</b>	<u>\$ 26,334,768</u>	<u>\$ 38,881,186</u>	<u>\$ 1,110,686</u>	<u>\$ 66,326,640</u>	<u>\$ 783,636</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

**Proprietary Funds****Statement of Revenues, Expenses and Changes in Fund Net Position**

For the Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
<b>Operating Revenues:</b>					
Charges for services	\$ 4,659,866	\$ 6,590,159		\$ 11,250,025	\$ 2,051,756
Investment fees	174,581	302,016		476,597	
Other revenue	107,992	62,453		170,445	355,242
Total Operating Revenues	<u>4,942,439</u>	<u>6,954,628</u>		<u>11,897,067</u>	<u>2,406,998</u>
<b>Operating Expenses:</b>					
Personal services	1,072,855	1,623,555	\$ 153,225	2,849,635	3,094,507
Purchased services	313,180	656,300	7,965	977,445	342,732
Supplies	638,858	795,070	3,320	1,437,248	62,017
Minor equipment					167,862
Depreciation	926,373	2,022,358		2,948,731	
Other expenses	214,334	308,638		522,972	302,990
Total Operating Expenses	<u>3,165,600</u>	<u>5,405,921</u>	<u>164,510</u>	<u>8,736,031</u>	<u>3,970,108</u>
Operating Income (Loss)	<u>1,776,839</u>	<u>1,548,707</u>	<u>(164,510)</u>	<u>3,161,036</u>	<u>(1,563,110)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Investment income	17,193	18,330		35,523	
Interest expense	(321,639)	(520,356)		(841,995)	
Total Nonoperating Revenues (Expenses), Net	<u>(304,446)</u>	<u>(502,026)</u>		<u>(806,472)</u>	
<b>Contributed infrastructure assets</b>		1,235,750		1,235,750	
<b>Transfers In (Out)</b>	(110,289)	(254,955)	151,295	(213,949)	1,412,397
<b>Intergovernmental</b>	<u>639,160</u>	<u>4,458</u>		<u>643,618</u>	<u>155,710</u>
Change in Net Position	2,001,264	2,031,934	(13,215)	4,019,983	4,997
<b>Net Position at Beginning of Year</b>	<u>24,333,504</u>	<u>36,849,252</u>	<u>1,123,901</u>	<u>62,306,657</u>	<u>778,639</u>
<b>Net Position at End of Year</b>	<u>\$ 26,334,768</u>	<u>\$ 38,881,186</u>	<u>\$ 1,110,686</u>	<u>\$ 66,326,640</u>	<u>\$ 783,636</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.



**Proprietary Funds****Statement of Cash Flows**

For the Year Ended June 30, 2017

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>					
Receipts from customers and users for services	\$ 4,914,659	\$ 6,909,913		\$ 11,824,572	\$ 2,411,261
Receipts from customers and users for investment fees	282,573	364,469	\$	647,042	
Payments to vendors and contractors	(120,113)	(1,917,508)	(11,694)	(2,049,315)	(2,428,903)
Payments of employee salaries and benefits	(1,130,202)	(1,433,019)	(154,785)	(2,718,006)	(1,562,365)
Receipts for interfund service provided	1,703,714			1,703,714	4,065
Payments for interfund service provided		(1,302,176)	15,184	(1,286,992)	7,835
Net Change in Operating Activities	<u>5,650,631</u>	<u>2,621,679</u>	<u>(151,295)</u>	<u>8,121,015</u>	<u>(1,568,107)</u>
<b>Cash Flows From Noncapital Financing Activities:</b>					
Transfers in			151,295	151,295	1,478,800
Transfers out	(110,289)	(254,955)		(365,244)	(66,403)
Intergovernmental subsidy					155,710
Net Change in Noncapital Financing Activities	<u>(110,289)</u>	<u>(254,955)</u>	<u>151,295</u>	<u>(213,949)</u>	<u>1,568,107</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Purchases of capital assets and land for investment	(7,504,847)	(3,520,757)		(11,025,604)	
Capital contributions - federal and state grants	607,581	4,458		612,039	
Principal payments on bonds and notes	(1,034,312)	(1,618,091)		(2,652,403)	
Bond issuance	3,233,744	4,017,741		7,251,485	
Increase (decrease) in deferred inflows and outflows	4,452	(196,753)		(192,301)	
Interest expense	(346,960)	(553,322)		(900,282)	
Net Change in Capital and Related Financing Activities	<u>(5,040,342)</u>	<u>(1,866,724)</u>		<u>(6,907,066)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>					
Investment income	17,193	18,330		35,523	
Net Change in Investing Activities	<u>17,193</u>	<u>18,330</u>	<u>-</u>	<u>35,523</u>	<u>-</u>
Net Change in Cash and Short-Term Investments	517,193	518,330		1,035,523	
Cash and Short-Term Investments, Beginning of Year	<u>6,373,543</u>	<u>6,810,353</u>		<u>13,183,896</u>	
Cash and Short-Term Investments, End of Year	<u>\$ 6,890,736</u>	<u>\$ 7,328,683</u>	<u>\$ -</u>	<u>\$ 14,219,419</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Change In Operating Activities:</b>					
Operating income (loss)	\$ 1,776,839	\$ 1,548,707	\$ (164,510)	\$ 3,161,036	\$ (1,563,110)
Adjustments to reconcile operating income (loss) to net change in operating activities:					
Depreciation	926,373	2,022,358		2,948,731	
Changes in assets and liabilities:					
User fees	443,865	306,151		750,016	
Inventory	33,824	7,628		41,452	6,511
Departmental and other receivables	(188,738)	14,463		(174,275)	4,263
Interfund receivables and payables	1,703,714	(1,302,176)	15,184	416,722	11,900
Accounts payable	568,034	(159,172)	(409)	408,453	(4,899)
Accrued liabilities	(8,050)	(8,445)	107	(16,388)	(31,014)
Unearned revenue	(334)	(860)		(1,194)	
Retainage payable	444,401	(5,956)		438,445	
Compensated absences	(13,863)	(12,270)	(1,667)	(27,800)	8,242
Net pension liability	263,215	344,629		607,844	
Other post-employment benefits liability	(298,649)	(133,378)		(432,027)	
Net Change in Operating Activities	<u>\$ 5,650,631</u>	<u>\$ 2,621,679</u>	<u>\$ (151,295)</u>	<u>\$ 8,121,015</u>	<u>\$ (1,568,107)</u>
<b>Supplemental disclosure of cash flow information:</b>					
Noncash items related to capital and related financing activities					
Contributed infrastructure assets		\$ 1,235,750		\$ 1,235,750	
Forgiveness of long-term debt	\$ 31,579			\$ 31,579	

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

## Fiduciary Funds

### Statement of Fiduciary Net Position

June 30, 2017

	Agency Funds	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
<b>ASSETS</b>			
Cash and short term investments	\$ 285,500		
Due from other funds	1,012,488	\$ 903,027	\$ 5,416,494
Total Assets	<u>1,297,988</u>	<u>903,027</u>	<u>5,416,494</u>
<b>LIABILITIES AND NET ASSETS</b>			
Other liabilities	1,297,988		
Total Liabilities	<u>1,297,988</u>		
<b>NET Position</b>			
Total Net Position Held in Trust	\$ <u><u>          </u></u>	\$ <u><u>903,027</u></u>	\$ <u><u>5,416,494</u></u>



**Fiduciary Funds****Statement of Changes in Fiduciary Net Position**

For the Year Ended June 30, 2017

	Private Purpose Trust Funds	OPEB Irrevocable Trust Fund
<b>Additions:</b>		
Investment earnings	\$ 46,555	\$ 157,555
Transfers in		1,253,900
Total	<u>46,555</u>	<u>1,411,455</u>
<b>Deductions:</b>		
Disbursements by agent	25,747	
Management service		38,133
Total deductions	<u>25,747</u>	<u>38,133</u>
Net increase	<u>20,808</u>	<u>1,373,322</u>
Net Change in Fund Balance	20,808	1,373,322
<b>Net Position:</b>		
Beginning of year	<u>882,219</u>	<u>4,043,172</u>
End of year	<u>\$ 903,027</u>	<u>\$ 5,416,494</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Dover, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

#### Reporting Entity

The City is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, the City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading. It was determined that no entities met the required criteria to be included as a component unit.

#### Government-Wide and Fund Financial Statements

##### Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

##### Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.



## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

##### Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

##### Fund Financial Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Improvements Program for fiscal year 2016 (CIP FY16) is used to account for the revenue from the bond proceeds and related expenditures for authorized projects.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government reports the following major proprietary funds:

- The Water Fund accounts for the operation of a water treatment plant, city wells and water system
- The Sewer Fund accounts for the operation of a sewer treatment plant, pumping stations and sewer lines.
- The Dover Business and Industrial Development Authority Fund (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

##### Fund Financial Statements – Continued

Additionally, the government reports internal service funds, which account for data processing, fleet management services, workers compensation administration and claims, and other post-employment benefits (OPEB) liability expenses provided to other departments on the cost reimbursement basis.

Additionally, the government reports fiduciary funds, which employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and, thus, have no measurement focus. The government also reports the following fiduciary funds:

- Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and includes the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.
- The Private-Purpose Trust Funds are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private Purpose Trust Funds held by the City include trust arrangements for Cemetery general care, Parks & Recreation program scholarships, Welfare benefits, and School scholarships.
- The OPEB Irrevocable Trust Fund is used to account for assets held by the City in a trustee capacity to provide for funding of the city's OPEB liability.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity whereas charges for services in internal service funds are not eliminated.

#### Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes. Investments are considered holdings of greater than three months and are reported at fair value.

#### City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.



## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

##### Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings banks or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided; however, that said, common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

##### Post-Employment Benefits Irrevocable Trust Fund

The City is the trustee, or fiduciary, for assets set aside and held in an irrevocable trust arrangement for the post-employment benefits. The City contributions to this fund are expensed to the OPEB Internal Service Fund.

Under New Hampshire RSA 31:19-c, the legislative body of a municipality that created an actuarial liability to pay other post-employment benefits (OPEB) to employees or officers after their termination of service may establish an irrevocable trust to pay those benefits. Deposits to any fund under such a trust and any earnings on those deposits shall be irrevocable and shall be held in trust for the exclusive benefit of the retirees and their beneficiaries in accordance with the terms of the plan. The trustees of any trust created pursuant to this section shall have the full power to invest, reinvest, and manage the assets of the trust. The trustees shall also diversify such investments so as to minimize the risk of larger losses unless under the circumstances it is clearly prudent not to do so.

## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

##### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the City uses various methods, including market, income and cost approaches. Based on these approaches, the City often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the City is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the City performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

##### Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve accounting applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

##### Inventories

Inventories held for resale are valued at the lower of cost or market and inventories of supplies are recorded at cost using the first-in/first-out (FIFO) method. The costs of inventories is recorded as an expense when consumed rather than when purchased.



## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

##### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. When applicable, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during 2017.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Building improvements	40 years
Building systems	15 – 24 years
Infrastructure	20 – 40 years
Water/sewer infrastructure	24 – 50 years
Vehicles	8 – 15 years
Office equipment	7 – 20 years
Computer equipment	5 – 10 years
Land improvements	15 – 20 years
Machinery and equipment	5 – 15 years
Books and collections	5 years

##### Compensated Absences

Depending on the union agreement, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end.

Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2017 was \$103,166 held in cash accounts. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.



## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued**

##### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has deferred outflows related to the pension liability and the OPEB liability as is more fully disclosed in the related footnotes, and the other item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. They are the deferred inflows related to the pension liability and the OPEB liability as is more fully disclosed in the related footnotes. Also, the City has two items which arise under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes and unavailable revenue from long-term receivables which is based on a recognition period adopted by the City. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

##### **Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

##### Fund Balances

In the governmental fund financial statements fund balance is reported in five classifications.

<b>Nonspendable fund balance</b>	Nonspendable fund balance represents fund balance amounts that are not in spendable form, such as inventories and prepaid items or are legally or contractually required to be maintained intact.
<b>Restricted</b>	Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
<b>Committed</b>	Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit a fund balance.
<b>Assigned</b>	Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for at year end. The City Council has by resolution authorized the City's management (the City Manager) to assign fund balance amounts to a specific purpose. This account also includes fund balance authorized by provisions of the City Charter to be used in a subsequent fiscal year.
<b>Unassigned</b>	Resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount. When fund balance is negative the amount is reported as unassigned.

The City's fund balance policy establishes that an amount equal to at least 15% of the City's most recent approved operating budget shall be established as a minimum unassigned fund balance.

## Notes to Financial Statements

June 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

##### Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

##### Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements as flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

##### Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

##### Recently Adopted Accounting Pronouncements

In August 2015, the GASB issued GASB Statement No. 77, *Tax Abatement Disclosure*. This pronouncement established reporting standards for disclosure of information about the nature and magnitude of tax abatements. The new statement is effective for periods beginning after December 15, 2016. The adoption of this statement is disclosed in Note 24.



## Notes to Financial Statements

June 30, 2017

### NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

#### Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 15th. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the following funds: General, parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA and school cafeteria. Proprietary funds with annually adopted budgets are water and sewer funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15th, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may make intra-department (non-school department) budgetary transfers, inter-department (non-school department) budgetary transfers require the approval of the City Council. The Superintendent of the School Department may make budgetary transfers within the School Department, as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds, except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

#### Budgetary Basis

The General Fund's final appropriation appearing on the Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

#### Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data. The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and other sources	Expenditures and other uses	Revenues and other sources over expenditures and other uses
General Fund			
Revenues/expenditures (GAAP basis)	\$107,202,299	\$101,031,496	\$ 6,170,803
Other financing sources/uses (GAAP basis)	3,005,413	6,346,868	(3,341,455)
	110,207,712	107,378,364	2,829,348
Reverse beginning of year appropriation carryforwards from expenditures		(53,036)	53,036
Reverse on-behalf payments	(619,623)	(619,623)	
Add end of year appropriation carryforwards to expenditures		1,502,947	(1,502,947)
Less expenditures from reserves and carryovers		(1,583,629)	1,583,629
Other adjustments	355	30,604	(30,249)
Budgetary Basis	<u>\$109,588,444</u>	<u>\$106,655,627</u>	<u>\$ 2,932,817</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

#### Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds	
Parking activity	\$ (10,033)
Library Fines	(3,508)
Internal Service Funds	
Fleet maintenance fund	\$ (101,853)
OPEB fund	(59,605)

#### Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2017:

Nonmajor Governmental funds		
Special Revenue Funds:		
Community Development	\$ (382,715)	(A)
Economic Development Loan Fund	(269,122)	(A)
Police DOT Fund	(21,480)	(A)
DOI Fund	(13,140)	(A)
Department of Commerce Fund	(12)	(A)
EPA Fund	(84,505)	(A)
Dover Main Street Fund	(24,148)	(A)
McConnell Center	(531,043)	(B)
Tuition Programs	(6,873)	(A)
School Alternative Education Fund	(1,153)	(A)
Capital Project Funds:		
CIP FY18	(407,394)	(B)
CIP FY17	(1,704,921)	(B)
CIP FY15	(428,078)	(B)
CIP FY14	(669,739)	(B)
CIP FY13	(242,729)	(B)
CIP FY12	(2,044,019)	(B)
CIP FY10	(967,171)	(B)
CIP FY07	(747,557)	(B)
CIP FY06	(51,210)	(B)
CIP FY05	(420,870)	(B)
CIP FY04	(136,940)	(B)
CIP FY03, FY02, FY00	(120,472)	(B)
Tolend Road Landfill Closure	(589,957)	(B)
Internal Service Funds:		
Workers Compensation Fund	(125,677)	(B)

(A) The deficits in these funds will be eliminated through the future grant reimbursements.

(B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.

## Notes to Financial Statements

June 30, 2017

### NOTE 3 – CASH AND INVESTMENTS

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's deposits or investments were exposed to custodial credit risk.

#### City Funds

The City's Investment Policy requires the use of security broker/dealers be based on credit-worthiness (a minimum capital requirement of \$100 million and at least five years of operation). Permitted investment per state law and the City's policy are U.S. Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria, minimum total assets of \$100 million, minimum of an average rating by a bank rating service, minimum ratio of equity capital to total assets of 5% and maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2017, the City's bank balance of \$99,862,071 was fully insured or collateralized. Included in cash is \$56,410,558 of bond proceeds that is restricted for capital projects.

#### Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the U.S. Government or the state, county, town, city, school district or water and sewer district.
- Stocks and bonds as are legal for investment by New Hampshire savings banks.
- Shares of mutual funds or money market mutual funds.
- The Board of Trustees of Trust Funds' standard for investing Common Trust Funds is the Prudent Investor Rule in accordance with RSA 31:25-d. To comply with the provisions of the Prudent Investor Rule, the Board engaged the services of an investment advisor.



## Notes to Financial Statements

June 30, 2017

### NOTE 3 – CASH AND INVESTMENTS – CONTINUED

#### Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. In fiscal year 2017, the trust investments authorized to be managed by the Board's investment advisor were as follows:

#### Equity Investments

The Equity asset class may be comprised of individual securities, mutual funds and other pooled asset portfolios that are invested principally in equity securities of U.S. or international companies that have a proven record of earnings, growth, strong fundamentals and good valuations. These securities may be listed on registered exchanges, or actively traded in the over-the counter market, or considered to be restricted securities (provided that the percentage of the fund's assets invested in such securities conform to the investment instrument's prospectus). Benchmarks for the equity investments will be: 75% S&P 500, 10% S&P 400, and 15% MSCI EAFE.

#### Fixed Income Investments

The Fixed income asset class may be comprised of individual securities, mutual funds and other pooled assets portfolios that are invested principally in fixed income securities rated investment grade or better (rated in one of the four highest rating categories by a National Recognized Statistical Rating Organization (NRSRO) at the time of purchase), or, if not rated, are determined to be of comparable quality by the Investment Advisor or a mutual fund manager. The benchmark for the fixed income investments will be the Barclays Aggregate Bond Index.

#### Cash Equivalent Reserves

Cash equivalent reserves shall consist of money markets, mutual funds, and/or cash equivalents that comply with Rule 2a-7 under the Investment Company Act of 1940, as amended, or in the New Hampshire Public Deposit Investment Pool.

Investments as of June 30, 2017 consisted of:

	Fair Value	Investment Maturities (in Years)			
		1 - 5	6 - 10	More than 10	No Maturity
Corporate Bonds	\$ 1,850,307	\$ 958,989	\$ 891,318		
Bond Funds	2,579,683				\$2,579,683
Common Stock and Mutual Funds	4,584,760				4,584,760
Money Market, less than one year	442,155	442,155			
Total Investments	<u>\$9,456,905</u>	<u>\$1,401,144</u>	<u>\$ 891,318</u>	<u>\$ -</u>	<u>\$7,164,443</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 3 – CASH AND INVESTMENTS – CONTINUED

#### Cash Equivalent Reserves – Continued

Fair values of assets measured on a recurring basis at June 30 are as follows:

	Total	Level 1	Level 2	Level 3
<b>June 30, 2017</b>				
Corporate Bonds	\$ 1,850,307	\$ 1,850,307		
Bond Funds	2,579,683	2,579,683		
Common Stock and Mutual Funds	4,584,760	4,584,760		
Money Market, less than one year	442,155	442,155		
Total investments	<u>\$9,456,905</u>	<u>\$9,456,905</u>	<u>\$ -</u>	<u>\$ -</u>

There were no assets classified as level 2 or 3 as of June 30, 2017.

The City's investment in debt securities that require disclosure of credit risk were rated by Moody's, as follows:

Fixed income corporate bonds \$768,328 — Aaa; Fixed income corporate bonds \$1,081,979 — Aa thru A3; Bond funds \$1,581,044 — Aaa and \$998,640 below Aaa or not rated, with 61% of these funds (20% of the non-Aaa portion) rated A1 or better.

As of June 30, 2017, the City did not have investments in any one issuer that exceeded 5% of investments.

#### City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

NHPDIP shares of the pool are available to be redeemed upon proper notice, as outlined in the Pool's Information Statement, without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. The Commissioner, or the Program Administrator if designated by the Commissioner, may suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of the Pool's securities or determination of its net asset value not reasonably practicable.

#### Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

#### Approved Allocation Guidelines for Common Trust Assets

Cash	0% - 10%
Fixed Income	30% - 60%
Equities	40% - 70%
Inflation Hedge	0% - 10%

## Notes to Financial Statements

June 30, 2017

### NOTE 3 – CASH AND INVESTMENTS – CONTINUED

#### Trust Funds – Continued

The Fixed Income allocation shall consist of 15% or less of high yield bond funds.

##### Common Trust Accumulated Income Assets

Cash	25% - 100%
Fixed Income	0% - 75%
Equities	0% - 35%

The Fixed Income allocation shall consist of no investment into high yield bond funds. Investment into Fixed Income and Equities investments is only at specific direction of the Board of Trustees of Trust Funds.

##### Capital Reserve Funds

Cash	5% - 100%
U.S. Treasuries	0% - 60%
AAA Government Agencies	0% - 60%

In fiscal year 2017, all Capital Reserve Funds' investments were fully collateralized.

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (market value basis) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally; the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

#### City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations, thus, avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities including the local government investment pool.

#### Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Trustees' investment advisor is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustees' investment advisor shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.



## Notes to Financial Statements

June 30, 2017

### NOTE 3 – CASH AND INVESTMENTS – CONTINUED

#### Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at [www.dover.nh.gov](http://www.dover.nh.gov).

### NOTE 4 – TAXES RECEIVABLE

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1 of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

Taxes receivable at June 30, 2017 are comprised of (in thousands):

Unredeemed taxes:	
Levy of fiscal year 2017	\$ 2,267
Levy of fiscal year 2016	627
Levy of fiscal year 2015	319
Levy of subsequent years	247
Allowance for uncollectibles	(340)
	<u>3,120</u>
Other taxes:	
Other miscellaneous taxes	91
	<u>\$ 3,211</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 5 – DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables, as reported in the governmental funds represent ambulance, school detail, current use receivables and other reimbursements. Management has reviewed accounts receivable for collectability and has determined that an allowance for uncollectable accounts is necessary based on history and aging of individual accounts.

	Ambulance	Other Special Revenue	School	Other	Total
Gross	\$ 2,229,164	\$ 655,281	\$ 109,386	\$ 339,253	\$ 3,333,084
Less allowance for doubtful accounts	(1,527,717)				(1,527,717)
	<u>\$ 701,447</u>	<u>\$ 655,281</u>	<u>\$ 109,386</u>	<u>\$ 339,253</u>	<u>\$ 1,805,367</u>

### NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

The balance of \$707,401 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Funds bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended June 30,	Reimbursement For		
	Principal	Interest	Total
2018	\$ 13,916	\$ 3,910	\$ 17,826
2019	10,860	3,358	14,218
2020	10,687	2,916	13,603
2021	10,687	2,479	13,166
2022	9,732	2,036	11,768
Thereafter	38,928	4,110	43,038
	<u>\$ 94,810</u>	<u>\$ 18,809</u>	<u>\$ 113,619</u>

In the Sewer Enterprise fund, the City has accrued \$3,910 of interest due in fiscal year 2017, along with all principal as intergovernmental receivables at June 30, 2017.

### NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$673,779 in non-major governmental funds represent the uncollected balance of community development loans net of an allowance for uncollectable accounts in the amount of \$302,765. Management determined the allowance is necessary based on history and aging of individual loans.

## Notes to Financial Statements

June 30, 2017

### NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount listed as advance to other funds, which is due to the general fund, is from the McConnell Center Fund and relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2017 balances in interfund receivable and payable accounts:

Fund	Due From Other Funds	Due to Other Funds	Advance to Other Funds	Advance From Other Funds
General Fund		\$ 48,279,819	\$ 548,494	
CIP FY 16	\$ 48,345,880			
Nonmajor Governmental Funds	7,403,621	14,460,955		\$ 548,494
Major Proprietary Funds:				
Enterprise Funds:				
Water		2,057,380		
Sewer	851,049			
DBIDA		130,358		
Nonmajor Proprietary Funds:				
Internal Service Funds	995,953			
Fiduciary Funds:				
Agency Funds	1,012,488			
Private Purpose Funds	903,027			
OPEB Irrevocable Trust Fund	5,416,494			
	<u>\$ 64,928,512</u>	<u>\$ 64,928,512</u>	<u>\$ 548,494</u>	<u>\$ 548,494</u>

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2017 interfund transfers:

Fund	Transfers In	Transfers Out
General Fund	\$ 3,005,413	\$ (6,346,868)
Nonmajor Governmental Funds	889,107	
Major Proprietary Funds:		
Enterprise Funds		
Water		(110,289)
Sewer		(254,955)
DBIDA	151,295	
Nonmajor Proprietary Funds		
Internal Service Funds	1,412,397	
OPEB Irrevocable Trust Fund	1,253,900	
<b>Total Interfund Transfers</b>	<u>\$ 6,712,112</u>	<u>\$ (6,712,112)</u>



## Notes to Financial Statements

June 30, 2017

### NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows (reported in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 137,443	\$ 1,772		\$ 139,215
Machinery, equipment and furnishings	31,287	1,209	\$ (177)	32,319
Infrastructure	96,095	2,513		98,608
Total capital assets, being depreciated	264,825	5,494	(177)	270,142
Less accumulated depreciation:				
Buildings and improvements	(44,826)	(3,083)		(47,909)
Machinery, equipment and furnishings	(23,506)	(1,695)	130	(25,071)
Infrastructure	(56,585)	(2,874)		(59,459)
Total accumulated depreciation	(124,917)	(7,652)	130	(132,439)
Total capital assets, being depreciated, net	139,908	(2,158)	(47)	137,703
Capital assets, not being depreciated:				
Land	14,842		(36)	14,806
Construction in progress	25,570	36,323	(2,403)	59,490
Total capital assets, not being depreciated	40,412	36,323	(2,439)	74,296
Governmental Activities Capital Assets, Net	\$ 180,320	\$ 34,165	\$ (2,486)	\$ 211,999
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,315			\$ 39,315
Machinery, equipment and furnishings	15,874	\$ 213		16,087
Infrastructure	74,021	1,840		75,861
Total capital assets, being depreciated	129,210	2,053		131,263
Less accumulated depreciation:				
Buildings and improvements	(24,612)	(514)		(25,126)
Machinery, equipment and furnishings	(10,769)	(931)		(11,700)
Infrastructure	(29,388)	(1,503)		(30,891)
Total accumulated depreciation	(64,769)	(2,948)		(67,717)
Total capital assets, being depreciated, net	64,441	(895)		63,546
Capital assets, not being depreciated:				
Land	1,785			1,785
Construction in progress	12,826	10,813	\$ (604)	23,035
Total capital assets, not being depreciated	14,611	10,813	(604)	24,820
Business-Type Activities Capital Assets, Net	\$ 79,052	\$ 9,918	\$ (604)	\$ 88,366

## Notes to Financial Statements

June 30, 2017

### NOTE 9 – CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:	
General government	\$ 229
Public safety	1,127
Public works	4,032
Education	1,770
Culture and recreation	492
Public welfare	2
Total Depreciation Expense - Governmental Activities	<u>\$ 7,652</u>
Business-Type Activities:	
Water	\$ 926
Sewer	2,022
Total Depreciation Expense – Business-Type Activities	<u>\$ 2,948</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 9 – CAPITAL ASSETS – CONTINUED

#### Construction Commitments:

Active construction in progress at June 30, 2017 and commitments outstanding consist of the following:

	Construction in Progress	Remaining Commitments
Government Activities:		
School - Dover High School Facility Improvements	\$ 26,791,724	\$ 35,665,249
Tolend Road Landfill	12,933,677	
School - Regional Voc School Facility Improvements	7,653,858	10,773,013
Cocheco Dredge Cell	3,680,396	68,224
Tolend Road Landfill - Closure	1,819,794	
Bridge Replacement - Whittier Street	1,602,316	2,159,818
Tolend Road - BioRemediation	1,144,287	
Tolend Road - Bellamy Plume Trust	977,943	
Central Avenue Bridge	405,201	109,699
Street Reconstruction Nelson Street	380,360	44,665
City Hall Customer Service Center	373,100	187,848
Pointe Place Infrastructure Improvements	320,000	
Street Reconstruction - Keating/Birchwood	278,487	1,693,175
Garrison School Roof Replacement	190,642	476,924
Street Reconstruction - Richardson Drive	183,572	646,607
Street Reconstruction - Lisa Beth Drive & Circle	144,767	
Berry Brook Watershed Plan - Phase 3	134,052	10,750
McConnell Building Improvements	82,543	
General Building Improvements - City Wide	65,266	647,489
Street Reconstruction - Broadway RR Culvert	62,279	19,581
Downtown Traffic Efficiency Improvements	57,056	
Cocheco Riverfront Stabilization	41,088	1,285,737
Recreation - Cocheco River Park	40,000	
Oak Street Railroad Bridge Replacement	35,100	
Multi Use Trail-Newington Branch	25,471	43,382
Public Library - HVAC	19,960	540
Arena Locker Room & Foster Rink Improvements	19,150	
Street Lighting - City Wide		485,000
Emergency Shelter Generator		282,452
City Hall Improvements		135,836
Various other construction projects	28,766	2,046,750
Total Governmental Activities	<u>\$ 59,490,855</u>	<u>\$ 56,782,739</u>



## Notes to Financial Statements

June 30, 2017

### NOTE 9 – CAPITAL ASSETS – CONTINUED

#### Construction Commitments Continued:

	Construction In progress	Remaining Commitments
Business-Type Activities:		
Sewer - WWTP Buildings	\$ 11,458,600	\$ 12,500
Water System Facilities Upgrade	5,783,707	3,683,613
Sewer Main - Spaulding Turnpike	2,314,807	844,343
Water - Wellhead Protection	844,592	657,319
Sewer - Leighton Way Pump Station	601,220	60,460
Water Main - Spaulding Turnpike	273,048	250,000
Sewer - WWTP Facility Upgrade	246,342	89,280
Ireland Well Replacement	232,900	6,000
Sewer Main - Richardson Drive	199,726	824,901
Sewer - Inflow & Infiltration	171,115	557,280
Water Main - Nelson Street	168,102	81,898
Sewer Main - Nelson Street	138,927	61,073
Various other sewer construction projects	219,375	459,886
Various other water construction projects	383,015	1,169,050
Total Business-Type Activities	<u>\$ 23,035,476</u>	<u>\$ 8,757,603</u>

Remaining commitments are expected to be funded by bond proceeds.

### NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represent fiscal year 2017 invoices paid in the subsequent fiscal year.

### NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees and other related payroll liabilities at year-end.

### NOTE 12 – LONG-TERM DEBT

#### Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly the general fund, and also water, sewer, internal service, and other special revenue funds.

## Notes to Financial Statements

June 30, 2017

### NOTE 12 – LONG-TERM DEBT—CONTINUED

#### General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net position invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

Description	Original Issue Amount	Rate	Maturity Date	Balance
<b>Bonds Payable:</b>				
New Middle School 1999	\$ 15,741,027	5.5800%	1/15/20	\$ 1,354,884
Public improvements 2002	2,240,600	4.2300%	6/15/22	125,000
Public improvements 2008	9,970,000	4.0935%	12/15/28	5,300,000
Public improvements 2009	12,799,000	3.4417%	4/1/30	7,390,000
Public improvements refunding 2001	8,790,000	2.1535%	6/30/21	1,675,000
Public improvements refunding 2003 & 2004	17,530,000	2.3433%	6/15/32	10,100,000
Public Improvements	22,385,000	2.8090%	5/15/34	18,880,000
Public improvements - TIF	11,495,000	3.2670%	5/15/34	10,675,000
Public Improvements refunding 2005	4,425,000	1.7460%	7/1/25	3,350,000
Public Improvements refunding 2006 & 2007	19,590,000	2.0020%	6/15/27	18,440,000
Public Improvements 2016	73,900,000	3.1304%	6/15/41	73,900,000
<b>Total Bonds Payable</b>				<b>151,189,884</b>
<b>Other Long-Term Debt</b>				
CDFA Energy Improvement	250,000	2.4700%	12/31/20	107,371
State revolving loan – WWTP Aeration	279,157	1.7000%	2/1/22	139,579
State revolving loan – North End Pressure	3,400,000	2.7200%	11/1/32	3,262,859
Eversource SMART START – Arena	110,058	2.1200%	1/15/19	45,449
Eversource SMART START – Indoor Pool	31,990	2.1200%	1/1/22	22,657
Eversource SMART START – DPW Facility	47,333	4.1790%	11/1/20	47,333
Eversource SMART START – McConnell	125,139	2.1200%	12/1/22	96,003
SRL – WWTP MLE Conversion	10,039,165	2.0000%	5/1/36	9,599,421
River Street Pump Station	1,207,935	3.1680%	3/1/34	1,026,743
<b>Total Other Debt Outstanding</b>				<b>14,347,415</b>
<b>Total Long-Term Debt</b>				<b>\$ 165,537,299</b>

## Notes to Financial Statements

June 30, 2017

### NOTE 12 – LONG-TERM DEBT – CONTINUED

#### Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2017 are as follows:

<b>Governmental</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 6,656,621	\$ 5,859,683	\$ 12,516,304
2019	6,406,966	5,658,545	12,065,511
2020	6,608,607	5,485,475	12,094,082
2021	7,337,640	4,342,148	11,679,788
2022	6,951,433	4,089,833	11,041,266
2023 – 2027	30,934,452	15,882,705	46,817,157
2028 – 2032	27,422,716	9,941,076	37,363,792
2033 – 2037	25,152,300	5,557,038	30,709,338
2038 – 2042	19,975,000	1,667,311	21,642,311
	<u>\$ 137,445,735</u>	<u>\$ 58,483,814</u>	<u>\$ 195,929,549</u>
<b>Business-Type</b>			
2018	2,640,312	853,677	3,493,989
2019	2,377,765	770,891	3,148,656
2020	2,326,741	699,481	3,026,222
2021	2,148,705	624,889	2,773,594
2022	1,960,504	557,512	2,518,016
2023 – 2027	8,302,909	1,789,757	10,092,666
2028 – 2032	5,602,174	710,121	6,312,295
2033 – 2037	2,732,454	134,703	2,867,157
	<u>28,091,564</u>	<u>6,141,031</u>	<u>34,232,595</u>
<b>Total Future Debt Service</b>	<u>\$ 165,537,299</u>	<u>\$ 64,624,845</u>	<u>\$ 230,162,144</u>

The City's proprietary fund future debt service is partially funded by the state as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

#### Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2017 are as follows:

<b>Purpose</b>	<b>Amount</b>
Parking lot Improvements	\$ 160,765
Public Improvements – FY12	755,000
Public Improvements – FY14	3,421,442
Public Improvements – FY15	7,000,000
Public Improvements – FY16	9,658,633
Public Improvements – FY17	32,783,000
Public Improvements – FY18	16,228,990
	<u>\$ 70,007,830</u>



## Notes to Financial Statements

June 30, 2017

### NOTE 12 – LONG-TERM DEBT – CONTINUED

#### Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2017 and related limitations. These limits are based on the tax year 2016 base valuations for debt limits of \$3,252,898,677 provided by the State Department of Revenue Administration.

Purpose	Percent of State Assessed Value	Maximum Debt Limit	Applicable Bonds Outstanding at June 30, 2017
Municipal	3%	\$ 97,586,960	\$ 32,784,292
School	7%	227,702,907	88,441,956
Water	10%	325,289,868	9,254,302
DBIDA - IP	0%	4,000,000 *	
DBIDA - IB	0%	1,000,000	
DBIDA - Projects	8%	226,192,470	
Not subject to limitation	0%		35,056,749
			<u>\$ 165,537,299</u>

\*Debt limit is set by special legislation.

#### Changes in General Long-Term Liabilities

During the year ended June 30, 2017, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/16	Additions	Reductions	Total Balance 6/30/17	Less Current Portion	Long-Term Portion 6/30/17
<b>Governmental Activities</b>						
Claims liability	\$ 266	\$ 99	\$ (131)	\$ 234	\$ (91)	\$ 143
Bonds and loans payable	144,107	47	(6,708)	137,446	(6,657)	130,789
Bond premium	7,968		(524)	7,444	(524)	6,920
Net Pension Liability	56,128	23,774		79,902		79,902
Other:						
Compensated absences	3,400	1,207	(1,089)	3,518	(123)	3,395
OPEB liability	42,402		(6,858)	35,544		35,544
Liability for hazardous waste-site cleanup	11,471	298		11,769		11,769
	<u>\$ 265,742</u>	<u>\$ 25,425</u>	<u>\$ (15,310)</u>	<u>\$ 275,857</u>	<u>\$ (7,395)</u>	<u>\$ 268,462</u>
<b>Business-Type Activities</b>						
Bonds and loans payable	\$ 20,736	\$ 10,039	\$ (2,684)	\$ 28,091	\$ (2,640)	\$ 25,451
Bond premium	1,394		(119)	1,275	(119)	1,156
Net Pension Liability	1,808	607		2,415		2,415
Other:						
Compensated absences	173	91	(119)	145	(17)	128
OPEB liability	3,101		(432)	2,669		2,669
	<u>\$ 27,212</u>	<u>\$ 10,738</u>	<u>\$ (3,354)</u>	<u>\$ 34,596</u>	<u>\$ (2,776)</u>	<u>\$ 31,820</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 12 – LONG-TERM DEBT – CONTINUED

The net other post-employment benefit liability and compensated absences liability are liquidated by the proportional share of the obligation by the General Fund, Water Fund and Sewer Fund.

#### Contingent Debt Obligation

The City received funding authorization, in fiscal year 2016, for a Water capital project from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 20 years, plus interest at 3.168%. The City made the decision to defer the entire amount of the reimbursements until the loan agreements are finalized. As of June 30, 2017, the City has received \$3,676,289 of reimbursements for the Water project. The project is expected to be completed during fiscal year 2018, and the City will then finalize a loan agreement with the State of New Hampshire.

In fiscal year 2017 the City received funding authorization for a combined Water and Sewer capital project from the State of New Hampshire through a revolving renovation loan fund for which up to fifteen percent of the amount drawn by the City will be covered by a Federal grant. The City will be obligated to repay the amount drawn over a period of 15 years, plus interest at 2.0%. The City made the decision to defer the entire amount of the reimbursements until the loan agreements are finalized. As of June 30, 2017, the City has received \$320 and \$160 of reimbursements related to the Water and Sewer portions of the project, respectively. The project is expected to be completed during fiscal year 2018, and the City will then finalize loan agreements with the State of New Hampshire.

#### New Debt Issuance

During fiscal year 2017, the City finalized a loan agreement with the State of New Hampshire in the amount of \$10,039,165 to finance upgrades and improvements to the City's wastewater treatment facility. The loan, dated April 27, 2017, requires repayment in annual installments on May 1<sup>st</sup> of principal plus interest at 2.0%, with final payment due May 1, 2036. The loan is made through a revolving renovation loan fund administered by the New Hampshire Department of Environmental Services. The City has the option to prepay all or any portion of the loan without penalty.

#### Defeased Debt

In May 2015, the City defeased a June 2006 general obligation bond and a June 2007 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured. The June 2006 general obligation bond matured in June 2016 and the June 2007 general obligation bond matured in June 2017. As of June 30, 2016 the remaining portion of the June 2007 general obligation bond that was not defeased directly by the refunding, in the amount of \$9,455,000, was paid.



## Notes to Financial Statements

June 30, 2017

### NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs. As of June 30, 2013, 100% of the landfill's total capacity has been used.

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources, including state aid, insurance proceeds, and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including estimates for post closure maintenance. The City's new liability was estimated to be \$8,663,966 for the alternative closure method using the same cost sharing percentage of 42.68%. This new estimate was \$7,625,525 for the construction of the closure remedy and \$1,038,441 for post closure maintenance.

Since FY2005, the \$8,663,966 liability was reduced by the amount of annual expenditures incurred for the air sparge and soil vapor extraction closure remedy. These expenditures have been funded from bond proceeds.

In January 2012, the construction of the source control remedy was completed. This construction consisted of two separate components, the groundwater extraction system and the sewer conveyance system. The groundwater extraction system is designed to intercept contaminated groundwater emanating from beneath the former landfill; the groundwater is then conveyed to the City's wastewater treatment plant for treatment.

The groundwater extraction system has been operational for five years. The annual operations and maintenance costs for FY2017 were about \$895,950 with the City being responsible for 42.68% or \$382,391. In FY2016 the annual cost was \$392,948. The estimated cost for FY2018 is \$919,150 with Dover's share of 42.68% being \$392,293. Therefore, as of June 30, 2017 the City is adjusting the landfill closure liability to reflect an estimate of \$11,768,797 for a 30 year estimate of post closure costs of operations of the groundwater extraction and sewer conveyance systems. In FY2016 the City estimated the 30 year landfill closure liability at \$11,470,470. The City is expecting to fund its share of post closure costs through the annual operating budget.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

### NOTE 14 – RESTRICTED NET POSITION

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.



## Notes to Financial Statements

June 30, 2017

### NOTE 15 – COMMITMENTS AND CONTINGENCIES

#### Outstanding Lawsuits

There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole and any liabilities incurred would be substantially covered by insurance.

#### Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

#### County Assessment

City's property tax assessment is approximately 28% of Strafford County's total assessment. Strafford County had a \$164,993 unassigned General Fund Balance surplus on December 31, 2016, the most recent financial statements available.

### NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN

#### Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The City provides post-employment health care benefits for retire employees through the City's single employer benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50. The City has contracted with an actuarial consultant to provide the actuarial valuation of the City's OPEB liability under GASB 75. The Plan does not issue a separate audited financial report.

#### Benefits Provided

The City provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the New Hampshire Retirement System (NHRS) and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage, may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

## Notes to Financial Statements

June 30, 2017

### NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

#### Covered Employees

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	130
Active plan members	<u>606</u>
Total plan members	<u>736</u>

#### Funding Policy and On-Behalf Payments

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

The City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was \$1,534,786 for the year ended June 30, 2017.

For the fiscal year ended June 30, 2017, \$619,623 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

OPEB Trust assets have been set aside by the City, and are invested in common with the other trust funds maintained by the City, to pre-fund the City's portion of the OPEB liability; the SAU (School Department) has not set aside any funds to pre-fund the SAU's portion of their liability.

#### Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2017; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* Actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study during 2008. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, average
Investment rate of return	7.0%, net of Plan investment expense
Healthcare cost trend rates	8.5% for 2017, decreasing 0.5% per year to an ultimate rate of 4.5% for 2026 and later years

Mortality rates were based on the RPH-2015 total dataset mortality table fully generational using scale MP-2015.

## Notes to Financial Statements

June 30, 2017

### NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

#### Net OPEB Liability—Continued

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	40% - 60%	3.0%
Fixed income	40% - 60%	1.0%
Inflation hedge	0% - 10%	3.0%
Cash	0% - 10%	0.0%

*Discount Rate.* The discount rate used to measure the total OPEB liability was 5.9%. This is based on a projection of cash flows which assumed the City would continue to pay the annual pay as you go cost using its general fund and the OPEB Trust would continue to accumulate assets and start paying the pay as you go costs after 2033. The 5.9% discount rate is a blend of a 3.56% interest discount factor, based on the Fidelity 20-Year Go Municipal Bond Index as of June 30, 2017, and a 7.0% expected rate of return investment strategy on the OPEB Trust.

#### Changes in the Net OPEB Liability

Changes in the City's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] – [b]
Balances at July 1, 2016	\$49,546,382	\$ 4,043,172	\$45,503,210
Changes for the year:			
Service cost	618,562		618,562
Interest	2,654,521		2,654,521
Changes in assumptions	(2,414,848)		(2,414,848)
Changes in benefit terms	(189,790)		(189,790)
Difference between expected and actual experience	(4,907,820)		(4,907,820)
Contributions – employer		2,930,940	(2,930,940)
Net investment income		157,554	(157,554)
Benefit payments	(1,677,040)	(1,677,040)	
Administrative expense		(38,133)	38,133
Net changes	(5,916,415)	1,373,321	(7,289,734)
<b>Balances, June 30, 2017</b>	<b>\$43,629,969</b>	<b>\$ 5,416,493</b>	<b>\$38,213,476</b>



## Notes to Financial Statements

June 30, 2017

### NOTE 16 —OTHER POSTEMPLOYMENT BENEFITS PLAN – CONTINUED

#### Changes in the Net OPEB Liability – Continued

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current discount rate:

	1% Decrease (4.9%)	Discount Rate (5.9%)	1% Increase (6.9%)
Net OPEB liability	\$44,615,866	\$38,213,476	\$33,001,155

*Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates.* The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.5% decreasing to 3.5%) or 1 percentage point higher (9.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.5% decreasing to 4.5%)	1% Increase (9.5% decreasing to 5.5%)
Net OPEB liability	\$32,458,720	\$38,213,476	\$45,307,580

#### OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2017, the City recognized OPEB expense of \$1,282,661. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$11,677,298
Changes of assumptions	\$1,919,868	
Net difference between projected and actual earnings on Plan investments	221,546	
Total	\$ 2,141,414	\$11,677,298

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense, as follows

#### Year ending June 30,

2018	\$1,513,911
2019	1,513,911
2020	1,513,911
2021	1,543,146
2022	1,576,602
Thereafter	1,874,403
Total	\$9,535,884

## Notes to Financial Statements

June 30, 2017

### NOTE 17 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Effective July 1, 2014, the City is insured for workers' compensation through the Public Risk Management Exchange (Primex). Any claims incurred prior to July 1, 2014 are covered under the City's self-insured worker's compensation program. Under the terms of its insurance coverage, the City is liable for \$500,000 per incident. The insurer's limit of liability is \$3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

#### Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	Year Ended June 30, 2017	Year Ended June 30, 2016
Unpaid claims, beginning of fiscal year	\$ 266,000	\$ 886,804
Claims incurred (including IBNRs)	98,999	(547,194)
Claims paid	(130,999)	(73,610)
Unpaid claims, end of fiscal year	<u>\$ 234,000</u>	<u>\$ 266,000</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$234,000 claims liability as of June 30, 2017, approximately \$91,000 is estimated to be due within one year.

### NOTE 18 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

### NOTE 19 – PENSION PLAN

The City follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

#### Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (the System), a cost sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a contributory, defined benefit plan providing service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. The plan covers 471 participating employers.

## Notes to Financial Statements

June 30, 2017

### NOTE 19 – PENSION PLAN – CONTINUED

#### Plan Description – Continued

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the System's annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507.

#### Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a nonvested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by  $\frac{1}{4}$  of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earned compensation and/or service.

Employee membership data related to the Plan as of June 30, 2016 was as follows:

Retirees and beneficiaries	32,776
Inactive, non-retired members	11,313
Active members	48,069
	<u>92,158</u>

For the year ended June 30, 2017, the City's total payroll for all employees was \$48,222,867. Total covered payroll was \$38,874,038. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.



## Notes to Financial Statements

June 30, 2017

### NOTE 19 – PENSION PLAN – CONTINUED

#### Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, and range from 10.86% to 25.32% of covered compensation. The City's contribution to the System for the year ended June 30, 2017 was \$5,697,818, which was equal to its annual required contribution.

#### Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the City reported a liability of \$82,317,550 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was based on a roll-forward of the June 30, 2015 actuarial valuation. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City's proportion was 1.462 percent.

At the most recent measurement date of June 30, 2016, the City's proportion was 1.548 percent, which was an increase of .086 from its proportion measured as of June 30, 2015.

## Notes to Financial Statements

June 30, 2017

### NOTE 19 – PENSION PLAN – CONTINUED

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the year ended June 30, 2017, the City recognized pension expense of \$9,970,169. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 228,760	\$ 1,039,466
Net difference between projected and actual earnings on pension plan investments	5,150,209	
Changes in assumptions	10,130,674	
Changes in proportion and differences between contributions and proportionate share of contributions	3,593,157	74,136
Contributions subsequent to the measurement date	5,697,818	
Total	<u>\$ 24,800,618</u>	<u>\$ 1,113,602</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources (netted when necessary) related to pensions will be recognized in pension expense, as follows:

Year ended June 30:	
2018	\$ 3,729,893
2019	3,729,893
2020	5,599,735
2021	4,686,472
2022	243,205
Total	<u>\$17,989,198</u>

#### Actuarial Assumptions

The total pension liability was determined by rolling forward of the actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016, using the following actuarial assumption:

Inflation	2.5 percent per year
Salary increases	5.6 percent average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 employee generational mortality tables for males and females, adjusted for mortality improvements using Scale MP-2015, based on the last experience study.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 – June 30, 2015.

## Notes to Financial Statements

June 30, 2017

### NOTE 19 – PENSION PLAN – CONTINUED

#### Actuarial Assumptions – Continued

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation Percentage		Weighted Average Average Long- Term Expected Real Rate of Return	
Large Cap Equities	22.50	%	4.25	%
Small/Mid Cap Equities	7.50		4.50	
Total domestic equities	30.00			
Intl Equities (unhedged)	13.00		4.75	
Emerging Intl Equities	7.00		6.25	
Total international equities	20.00			
Core Bonds	5.00		0.64	
Short Duration	2.00		-0.25	
Global multi-sector	11.00		1.71	
Absolute return	7.00		1.08	
Total fixed income	25.00			
Private equity	5.00		6.25	
Private debt	5.00		4.75	
Opportunistic	5.00		3.68	
Total alternative investments	15.00			
Real estate	10.00		3.25	
Total	100.00	%		

#### Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



## Notes to Financial Statements

June 30, 2017

### NOTE 19 – PENSION PLAN – CONTINUED

#### Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$105,772,444	\$82,317,550	\$62,865,432

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

### NOTE 20 - DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The following is a summary of deferred outflows of resources and deferred inflows of resources as reported in the statement of net position as of June 30, 2017:

	Governmental Activities	Business-Type Activities
Deferred outflows from the pension plan	\$ 24,072,900	\$ 727,718
Deferred outflows from OPEB	1,991,831	149,583
Deferred outflows from deferred loss on refunding	1,342,482	451,011
Total deferred outflows	<u>\$ 27,407,213</u>	<u>\$ 1,328,312</u>
Deferred inflows from the pension plan	\$ 1,080,926	\$ 32,676
Deferred inflows from OPEB	10,861,613	815,685
Total deferred inflows	<u>\$ 11,942,539</u>	<u>\$ 848,361</u>

### NOTE 21 – OPERATING LEASE REVENUE

The City leases office space in the McConnell Center to several organizations. The leases expire at various years through the year 2031. The cost of the assets held for lease as of June 30, 2017 was \$8,259,542 accumulated depreciation was \$2,186,757 and the net book value was \$6,072,785. Approximately 40% of the square footage of the building is being leased to third parties with the remainder of the building being used by the City. Future non-cancelable lease revenue under these leases as of June 30, 2017 is as follows:

Years Ending,	Amount
2018	\$ 269,374
2019	253,707
2020	198,874
2021	105,946
2022	105,946
Thereafter	953,514
Total	<u>\$ 1,887,361</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 22 – FUND BALANCE

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2017:

	General Fund	CIP FY16	Nonmajor Governmental Funds
Nonspendable			
Permanent funds			\$ 2,374,843
Inventory	\$ 3,313		75,678
	<u>3,313</u>		<u>2,450,521</u>
Restricted			
Permanent funds income			162,837
Capital projects funds		\$41,900,373	2,631,042
Special revenue funds			2,152,488
		<u>41,900,373</u>	<u>4,946,367</u>
Committed			
City benefit capital reserve	42,675		
School benefit capital reserve	60,490		
McConnell Center long-term advance	548,493		
Recreation programs funds			168,862
Other special revenue funds			7,054,505
Recreation field construction			480,040
Capital purchases fund			3,995,175
Recreation and school funds			903,530
	<u>651,658</u>		<u>12,602,112</u>
Assigned			
Encumbrances – city	1,666,834		
Encumbrances – school	267,322		
Carryover appropriations	514,571		
	<u>2,448,727</u>		
Unassigned	19,236,386		(9,865,518)
Total Fund Balances	<u>\$22,340,084</u>	<u>\$41,900,373</u>	<u>\$ 10,133,482</u>

## Notes to Financial Statements

June 30, 2017

### NOTE 23 – NET POSITION

#### Net Position Invested in Capital Assets

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net position invested in capital assets, net of related debt was calculated as follows at June 30, 2017:

(In thousands)	Governmental Activities	Business-Type Activities
Capital assets	\$ 344,437	\$ 156,084
Accumulated depreciation	(132,438)	(67,717)
Bonds payable, total	(144,890)	(29,366)
Unspent bond proceeds	47,809	1,246
Unearned revenue*		(3,677)
Total invested in capital assets, net of related debt	<u>\$ 114,918</u>	<u>\$ 56,570</u>

- \* The City received funding for Water and Sewer Fund capital projects from the State of New Hampshire through a revolving renovation loan fund. The reimbursements received by the City have been recorded as unearned revenue and will be converted to a loan payable obligation upon completions of the projects. Refer to Note 12 for additional information.

### NOTE 24 – TAX ABATEMENTS AND TAX INCREMENT FINANCING DISTRICTS

The City has created two tax increment finance districts (TIFD) approved by the State of New Hampshire statute municipal economic development and revitalization districts. These districts have been designated by the City to improve infrastructure development, marketing and promotion of the district and encourage new development.

The Downtown Dover TIFD creation is intended to help provide downtown parking for various users and support infill and economic development by providing public parking facilities and other public infrastructure improvements. The Downtown Dover TIFD is owned by the City and any revenue that is earned from this TIFD is used to pay debt service or will be accumulated in a special revenue account to be used for bond debt payments in the future. Property taxes are not being foregone or retired to a specific taxpayer, but remain with the City for debt service payments that relate to this TIFD. For the fiscal year ended June 30, 2017, the Downtown Dover TIFD had a total tax captured of \$378,529 that will be used for the purposes previously noted.

The Waterfront TIFD creation is intended to create a clean and readily developable site along the Cochecho River. The Waterfront TIFD is owned by the City and any revenue that is earned from this TIFD is used to pay debt service or will be accumulated in a special revenue account to be used for bond debt payments in the future. Property taxes are not being foregone or retired to a specific taxpayer, but remain with the City for debt service payments that relate to this TIFD. For the fiscal year ended June 30, 2017, the Waterfront TIFD had a total tax captured of \$72,689 that will be used for the purposes previously noted.



## Notes to Financial Statements

June 30, 2017

### NOTE 25 – SUBSEQUENT EVENTS

#### Community Revitalization Tax Relief Incentive Program

In June 2015, the City Council adopted the enabling provisions of New Hampshire RSA 79-E relative to the Community Revitalization Tax Relief Incentive Program and created a revitalization district within the City's downtown urban core. The Program exists to encourage the rehabilitation of underutilized structures in urban centers of communities as a means of encouraging growth of economic, residential and municipal uses in a more compact pattern. The Community Revitalization Tax Relief Incentive program adopted pursuant to RSA 79-E encourages reinvestment in downtown areas by providing short-term property assessment tax relief and a related covenant to protect the public benefit created by a rehabilitation or reconstruction project.

In September 2017, the City Council approved a Community Revitalization Tax Relief Incentive application for a proposed project within the City's downtown revitalization district. The goal of the project is to redevelop a 1.22 acre property into mixed-use development of 32,000 sq. ft. with a combination of commercial space on the ground level and 130 residential units above the commercial space. The value of the project must be equal to at least 220 percent of the existing building's pre-rehabilitation assessed value. The project will include improving the alignment of a major four-way intersection within the City's downtown. Construction is anticipated to begin February of 2018 and to be completed by May of 2019. These provisions are incorporated into a land development agreement adopted by the City Council to have in place insurances, guarantees and covenants to protect the public's interest.

The pre-rehabilitation assessed value of the 1.22 acre property is \$2,174,300. This baseline value will be adjusted annually by market conditions for a 5 year period starting in fiscal year 2019 through fiscal year 2023. In fiscal year 2024 the resulting development project will be assessed at full value with a minimum guaranteed taxable value of \$11,000,000 through fiscal year 2028.

#### New Debt Issuance

During fiscal year 2017, the City issued \$10,525,000 in general obligation bonds; \$9,767,000 related to governmental activities and \$1,678,000 related to business-type activities. The proceeds from the bonds, and \$921,896 of premium after payment of \$ 35,783 in underwriting fees, are financing various public capital improvements and infrastructure items. The City bonds were rated AA+ by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited and the City received 5 bids on November 8, 2017. Robert W. Baird & Co. based in Milwaukee was awarded the bid at a true interest cost of 2.504 percent. The bonds were dated November 30, 2017 and mature December 15, 2037. Bonds maturing on or prior to December 15, 2027 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after December 15, 2028 shall be subject to redemption prior to maturity at the option of the City.

## Notes to Financial Statements

June 30, 2017

### NOTE 25 – SUBSEQUENT EVENTS—CONTINUED

#### Defeased Debt

On November 30, 2017 the City issued \$8,290,000 in general obligation bonds to advance refund a portion of the City's \$9,970,000 capital improvement general obligation bonds issued November 15, 2008 and a portion of the City's \$12,799,000 capital improvement general obligation bonds issued April 15, 2010. The 2008 bonds matured December 15, 2028, with a true interest cost of 4.093 percent, in the aggregate principal amount of \$4,150,000 maturing in the years 2019 through 2028. The 2010 bonds matured April 1, 2030, with a true interest cost of 3.442 percent, in the aggregate principal amount of \$5,150,000 maturing in the years 2021 through 2030. The November 15, 2008 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after December 15, 2019 through December 15, 2028. The April 15, 2010 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after April 1, 2021 through April 1, 2030. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated AA+ by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 5 bids on November 8, 2017. Janney Montgomery Scott based in Philadelphia was awarded the bid at a true interest cost of 1.7857 percent. The refunding bonds were dated November 30, 2017 and mature December 15, 2029. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The proceeds of \$8,290,000, plus \$1,545,093 of reoffering premium after payment of \$71,204 in underwriting fees and other issuance costs, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the November 15, 2008 general obligation bonds in the aggregate principal amount of \$4,150,000 and on the April 15, 2010 general obligation bonds in the aggregate principal amount of \$5,150,000. As a result, the November 15, 2008 general obligation bonds maturing on or after December 15, 2019 are considered to be defeased and the \$3,700,000 liability for those bonds has been removed from the general long-term debt account in FY2018 and the \$450,000 liability for those bonds has been removed from the business-type activity funds in FY2018. Additionally as a result, the April 15, 2010 general obligation bonds maturing on or after April 1, 2021 are considered to be defeased and the \$4,240,000 liability for those bonds has been removed from the general long-term debt account in FY2018 and the \$910,000 liability for those bonds has been removed from the business-type activity funds in FY2018.

The City advance refunded the November 15, 2008 and April 15, 2010 general obligation bonds to reduce its total debt service payments over the next 13 years by almost \$1,014,772 and to obtain an economic gain of \$880,490 representing the difference between the present values of the debt service payments on the old and new debt.

## Schedule of Funding Progress Required Supplementary Information

### Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	2017	2016
<b>Total OPEB Liability</b>		
Service cost	\$ 618,562	\$ 738,313
Interest	2,654,521	2,096,703
Changes of benefit terms	(189,790)	
Difference between expected and actual experience	(4,907,820)	(9,089,639)
Changes of assumptions	(2,414,848)	4,713,618
Benefit payments	(1,677,040)	(1,302,070)
Net change in total OPEB liability	(5,916,415)	2,843,075
Total OPEB liability – beginning	49,546,382	52,389,457
Total OPEB – ending	43,629,969	49,546,382
<b>Plan Fiduciary Net Position</b>		
Contributions – employer	\$2,930,940	\$ 2,772,052
Net investment income	157,554	78,997
Benefit payments	(1,677,040)	(1,302,070)
Administrative expense	(38,133)	
Other		
Net change in plan fiduciary net position	1,373,321	1,548,979
Plan fiduciary net position – beginning	4,043,172	2,494,193
Plan fiduciary net position – ending	5,416,493	4,043,172
Net OPEB Liability – Ending	\$38,213,476	\$45,503,210
Plan fiduciary net position as a % on total OPEB liability	12.41%	8.16%
Money-weighted rate of return on investments	3.59%	7.59%
Covered employee payroll	\$31,478,114	\$30,561,275
Net OPEB liability as a % of covered-employee payroll	121.40%	148.89%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.



## Schedule of Funding Progress Required Supplementary Information

### Schedule of the City's Contributions to the OPEB Plan

	2017	2016
Actuarially determined contribution	\$3,074,529	\$3,307,027
Contribution in relation to actuarially determined contribution	<u>2,930,940</u>	<u>2,674,772</u>
Contribution deficiency (excess)	<u>143,589</u>	<u>632,249</u>
Covered-employee payroll	11,892,335	11,545,956
Contributions as a percentage of covered-employee payroll	22.49%	23.17%

### Notes to Required Supplementary Information

*Valuation Date:* Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

#### *Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial cost method	Entry age normal level percentage of salary
Amortization method	Level dollar
Remaining amortization period	25 years
Asset valuation method	Market value of asset
Inflation	3.0%
Healthcare cost trend rates	8.5% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
Salary increases	3%, average, including inflation
Investment rate of return	7%, net of Plan investment expense, including inflation

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

## Schedule of Proportionate Share of Net Pension Liability Required Supplementary Information

June 30, 2017

State of New Hampshire Retirement System						
Fiscal Year	Valuation Date	City Proportion of the Net Pension Liability	City Proportionate Share of the Net Pension Liability	Covered Employee Payroll	City Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	6/30/16	\$ 82,317,550	1.548%	\$ 38,874,038	211.8%	58.3%
2016	6/30/15	\$ 57,935,100	1.462%	\$ 37,720,100	153.6%	65.5%
2015	6/30/14	\$ 53,853,578	1.435%	\$ 35,731,344	150.7%	66.3%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.

## Schedule of Contributions Required Supplementary Information

June 30, 2017

State of New Hampshire Retirement System						
Fiscal Year	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2017	6/30/16	\$5,697,818	\$5,697,818	\$0	\$38,874,038	14.7%
2016	6/30/15	\$5,237,693	\$5,237,693	\$0	\$37,720,100	13.9%
2015	6/30/14	\$4,929,300	\$ 4,929,300	\$0	\$35,731,344	13.8%

The required supplementary information is intended to show information for ten years, and the additional years' information will be displayed as it becomes available.



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## **Combining Financial Statements**

## Nonmajor Governmental Funds

### Special Revenue Funds

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- **Community Development Fund** – To account for grant proceeds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and subgrant expenditures.
- **CDBG Recovery Fund** – To account for the ARRA grant proceeds related to the CDBG program.
- **Housing and Urban Development** - To account for grant proceeds received from the US Dept. of Housing and Urban Development to develop new or revised land use and planning regulations.
- **Housing Rehabilitation Loan Fund** – To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- **Economic Development Loan Fund** – To account for loans given to small business for the purpose of business establishment or expansion.
- **Police DOJ Fund** – To account for grant proceeds from the U.S. Department of Justice for various drug and alcohol awareness and prevention programs.
- **Homeland Security Fund** – To account for grant proceeds from the U.S. Department of Homeland Security for equipment purchases.
- **Police DHA Fund** – To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- **Police DOT Fund** – To account for grant proceeds from the U.S. Department of Transportation for various driving safety programs.
- **DHHS Assistance Programs** – To account for grant proceeds for at-risk youth in the community passed through Department of Health and Public Welfare.
- **Police Youth Tobacco & Alcohol Awareness Fund** – To account for grant proceeds of various tobacco and alcohol awareness and prevention programs.
- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.



- **Radiological Emergency Response** – To account for grant proceeds related to emergency preparedness for Seabrook radiological response.
- **DOI Fund - National park Programs** – To account for grant proceeds from the U.S. Department of the Interior for various programs.
- **Department of Commerce - Coastal Programs:** To account for grant proceeds from the U.S. Department of Commerce National Oceanic & Atmospheric Administration (NOAA) Coastal Management Program to promote floodplain awareness and management.
- **EPA Fund** – To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.
- **School Cafeteria Fund** – To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Department of Education and receipt of U.S. Department of Agriculture food commodities.
- **NEA Fund - National Endowment for the Arts** – To account for grant proceeds from the National Endowment of the Arts for various programs used to develop and maintain partnerships with state and jurisdictional art agencies.
- **School Federal Aid Fund** – To account for grants received from the U.S. Department of Education for various programs supporting School operations.
- **School Special Programs Fund** – To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- **Dover Main Street Fund** – To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- **Planning Improvements Fund** – To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- **Police and Fire Detail** – To account for police and fire outside detail activity.
- **Parking Activity Fund** – To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- **Police Special Fund** – To account for forfeiture proceeds and special investigative expenditures.
- **Fire Special Projects Fund** – To account for special purpose grants awarded to the fire department.

- **Conservation Fund** – To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- **Residential Solid Waste Fund** – To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures or residential solid waste pickup and disposal.
- **McConnell Center Fund** – To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.
- **Recreation Programs Fund** – To account for the revenue and expenditures of self-supporting recreational programs.
- **Recreation Field Maintenance Fund** – to account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- **Library Fines Fund** – To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- **Downtown Dover TIF Fund** – To account for funds collected in accordance with the tax increment financing plan established in March 2014 for repayment of bonds issued for construction of the Orchard Street Parking Garage and other capital improvements within the district as approved by City Council.
- **Waterfront TIF District Fund** - To account for funds collected in accordance with the tax increment financing plan established in February 2015 to facilitate development of a city owned parcel off River Street by funding improvements and utility work as approved by the City Council.
- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.
- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.



## Capital Project Funds

- **CIP FY18** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2018 of the Capital Improvements Program.
- **CIP FY17** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2017 of the Capital Improvements Program.
- **CIP FY15** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2015 of the Capital Improvements Program.
- **CIP FY14** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2014 of the Capital Improvements Program.
- **CIP FY13** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2013 of the Capital Improvements Program.
- **CIP FY12** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2012 of the Capital Improvements Program.
- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.
- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.
- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.



- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.
- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.
- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.

- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.
- **Capital Purchases Fund** – To account for revenue transferred from the general fund for the purpose of capital acquisitions.

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## Non-Major Governmental Funds

## Combining Balance Sheet

June 30, 2017

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund
<b>ASSETS</b>					
Cash and short-term investments					
Investments					
Departmental receivable					
Intergovernmental receivables					
Loans receivable				\$ 195,762	\$ 175,252
Due from other funds		\$ 131,086	\$ 2,974	315,060	33,797
Inventory					
Other					
Total Assets		<u>\$ 131,086</u>	<u>\$ 2,974</u>	<u>\$ 510,822</u>	<u>\$ 209,049</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 13,155			\$ 82	\$ 155
Accrued liabilities	1,572				
Retainage payable					
Unearned revenue					
Due to other funds	367,988				
Advance from other fund					
Compensated absences					
Total Liabilities	<u>382,715</u>			<u>82</u>	<u>155</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable revenue - long-term receivables				195,763	478,016
Fund Balances:					
Nonspendable					
Restricted		\$ 131,086	\$ 2,974	\$ 314,977	
Committed					
Assigned					
Unassigned	\$ (382,715)				\$ (269,122)
Total Fund Balances (Deficit)	<u>(382,715)</u>	<u>131,086</u>	<u>2,974</u>	<u>314,977</u>	<u>(269,122)</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$</u>	<u>\$ 131,086</u>	<u>\$ 2,974</u>	<u>\$ 510,822</u>	<u>\$ 209,049</u>

Special Revenue Funds							
Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund	Radiological Emergency Response
\$ 132,827	\$ 13,149	\$ 3,411		\$ 11,681	\$ 163,129	\$ 423,311	\$ 36,879
<u>\$ 132,827</u>	<u>\$ 13,149</u>	<u>\$ 3,411</u>		<u>\$ 11,681</u>	<u>\$ 163,129</u>	<u>\$ 423,311</u>	<u>\$ 36,879</u>
\$ 4,010		\$ 1,428		\$ 28	\$ 149	\$ 2,339	
			\$ 21,480				
<u>4,010</u>		<u>1,428</u>	<u>21,480</u>	<u>28</u>	<u>149</u>	<u>2,339</u>	
\$ 128,817	\$ 13,149	\$ 1,983		\$ 11,653	\$ 162,980	\$ 420,972	\$ 36,879
<u>128,817</u>	<u>13,149</u>	<u>1,983</u>	<u>\$ (21,480)</u>	<u>11,653</u>	<u>162,980</u>	<u>420,972</u>	<u>36,879</u>
<u>\$ 132,827</u>	<u>\$ 13,149</u>	<u>\$ 3,411</u>	<u>\$</u>	<u>\$ 11,681</u>	<u>\$ 163,129</u>	<u>\$ 423,311</u>	<u>\$ 36,879</u>

**Special Revenue Funds**

	DOI Fund	Department of Commerce	EPA Fund	National Endowment for the Arts	School Cafeteria Fund	School Federal Aid Fund	School Special Programs Fund
<b>ASSETS</b>							
Cash and short-term investments					\$ 124,957		
Investments							
Departmental receivable							
Intergovernmental receivables					149,848	\$ 557,553	
Loans receivable							
Due from other funds				\$ 876	129,422		\$ 106,682
Inventory					56,694		
Other							
Total Assets				876	\$ 460,921	\$ 557,553	\$ 106,682
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable			\$ 179	\$ 32	\$ 4,350	\$ 604	
Accrued liabilities						116,707	\$ 9,710
Retainage payable							
Unearned revenue					105,545		
Due to other funds	\$ 13,410	\$ 12	84,326			398,563	
Advance from other fund							
Compensated absences							
Total Liabilities	13,410	12	84,505	32	109,895	515,874	9,710
DEFERRED INFLOW OF RESOURCES							
Unavailable revenue - long-term receivables							72,393
Fund Balances:							
Nonspendable					\$ 56,694		
Restricted				\$ 844	294,332	\$ 41,679	\$ 24,579
Committed							
Assigned							
Unassigned	\$ (13,410)	\$ (12)	(84,505)				
Total Fund Balances (Deficit)	(13,410)	(12)	(84,505)	844	351,026	41,679	24,579
Total Liabilities and Fund Balances	\$	\$	\$	\$ 876	\$ 460,921	\$ 557,553	\$ 106,682



Special Revenue Funds							
Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	Fire Special Projects Fund	Conservation Fund	Residential Solid Waste Fund
			\$ 112,592				
		\$ 86,581				\$ 2,916	\$ 64,579
	\$ 176,415			\$ 99,997	\$ 171,290	40,538	1,079,524 18,984
\$ 30,000							
\$ 30,000	\$ 176,415	\$ 86,581	\$ 112,592	\$ 99,997	\$ 171,290	\$ 43,454	\$ 1,163,087
		\$ 6,867	\$ 7,461 4,415				\$ 78,311 3,240
\$ 54,148		18,534	4,358				540,306
54,148		25,401	16,234				621,857
	\$ 176,415	\$ 61,180	\$ 96,358	\$ 99,997	\$ 171,290	\$ 43,454	\$ 18,984 522,246
\$ (24,148)							
(24,148)	176,415	61,180	96,358	99,997	171,290	43,454	541,230
\$ 30,000	\$ 176,415	\$ 86,581	\$ 112,592	\$ 99,997	\$ 171,290	\$ 43,454	\$ 1,163,087

Special Revenue Funds								
	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Downtown Dover TIF Fund	Waterfront TIF District Fund	Tuition Programs Fund	Vocational Center Fund
<b>ASSETS</b>								
Cash and short-term investments								
Investments								
Departmental receivable	\$ 33,582	\$ 560					\$ 2,806	
Intergovernmental receivables								
Loans receivable								
Due from other funds		179,357	\$ 3,854	\$ 13,181	\$ 987	\$ 72,203		\$ 906
Inventory								
Other								
Total Assets	<u>\$ 33,582</u>	<u>\$ 179,917</u>	<u>\$ 3,854</u>	<u>\$ 13,181</u>	<u>\$ 987</u>	<u>\$ 72,203</u>	<u>\$ 2,806</u>	<u>\$ 906</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 13,365	\$ 228	\$ 1,600	\$ 920				
Accrued liabilities	2,766	10,827						
Retainage payable								
Unearned revenue								
Due to other funds							\$ 9,679	
Advance from other fund	548,494							
Compensated absences								
Total Liabilities	<u>564,625</u>	<u>11,055</u>	<u>1,600</u>	<u>920</u>			<u>9,679</u>	
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - long-term receivables								
Fund Balances:								
Nonspendable								
Restricted								
Committed		\$ 168,862	\$ 2,254	\$ 12,261	\$ 987	\$ 72,203		\$ 906
Assigned								
Unassigned	\$ (531,043)						\$ (6,873)	
Total Fund Balances (Deficit)	<u>(531,043)</u>	<u>168,862</u>	<u>2,254</u>	<u>12,261</u>	<u>987</u>	<u>72,203</u>	<u>(6,873)</u>	<u>906</u>
Total Liabilities and Fund Balances	<u>\$ 33,582</u>	<u>\$ 179,917</u>	<u>\$ 3,854</u>	<u>\$ 13,181</u>	<u>\$ 987</u>	<u>\$ 72,203</u>	<u>\$ 2,806</u>	<u>\$ 906</u>

Special Revenue Funds				Capital Projects Funds						
School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Special Revenue Funds Subtotals	CIP FY 18	CIP FY 17	CIP FY 15	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11
		\$ 4,771,388	\$ 5,008,937							
\$ 8,483	\$ 21,419	9,456,905	9,456,905							
		655,281	876,207							
			707,401							
			371,014							
405,285	189,586		3,937,407							\$ 535,975
			75,678							
			30,000							
<u>\$ 413,768</u>	<u>\$ 211,005</u>	<u>\$ 14,883,574</u>	<u>\$ 20,463,549</u>							<u>\$ 535,975</u>
\$ 646	\$ 1,442	\$ 1,732	\$ 132,216	\$ 250	\$ 248,971		\$ 287,288	\$ 37,103	\$ 221,104	\$ 14,793
53,141			209,245							
			105,545		40,520	\$ 165,345	52,784	27,880		
361,134		5,289,657	7,163,595	407,144	1,415,430	262,733	329,667	177,746	1,822,915	
			548,494							
<u>414,921</u>	<u>1,442</u>	<u>5,291,389</u>	<u>8,159,095</u>	<u>407,394</u>	<u>1,704,921</u>	<u>428,078</u>	<u>669,739</u>	<u>242,729</u>	<u>2,044,019</u>	<u>14,793</u>
			746,172							
		\$ 2,374,843	\$ 2,450,521							
		162,837	2,315,325							\$ 521,182
\$ 209,563		7,054,505	8,126,897							
\$ (1,153)			(1,334,461)	(407,394)	\$ (1,704,921)	\$ (428,078)	\$ (669,739)	\$ (242,729)	\$ (2,044,019)	
<u>(1,153)</u>	<u>209,563</u>	<u>9,592,185</u>	<u>11,558,282</u>	<u>(407,394)</u>	<u>(1,704,921)</u>	<u>(428,078)</u>	<u>(669,739)</u>	<u>(242,729)</u>	<u>(2,044,019)</u>	<u>521,182</u>
<u>\$ 413,768</u>	<u>\$ 211,005</u>	<u>\$ 14,883,574</u>	<u>\$ 20,463,549</u>							<u>\$ 535,975</u>



**Capital Projects Funds**

	CIP FY10	CIP FY09	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
<b>ASSETS</b>								
Cash and short-term investments								
Investments								
Departmental receivable								
Intergovernmental receivables								
Loans receivable								
Due from other funds		\$ 446,173	\$ 1,589,189					
Inventory								
Other								
Total Assets		<u>\$ 446,173</u>	<u>\$ 1,589,189</u>					
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable		\$ 199,326		\$ 147,343				
Accrued liabilities								
Retainage payable				3,686	\$ 1,423			
Unearned revenue								
Due to other funds	\$ 967,171			596,528	49,787	\$ 420,870	\$ 136,940	\$ 31,591
Advance from other fund								
Compensated absences								
Total Liabilities	<u>967,171</u>	<u>199,326</u>		<u>747,557</u>	<u>51,210</u>	<u>420,870</u>	<u>136,940</u>	<u>31,591</u>
DEFERRED INFLOW OF RESOURCES								
Unavailable revenue - long-term receivables								
Fund Balances:								
Nonspendable								
Restricted		\$ 246,847	\$ 1,589,189					
Committed								
Assigned								
Unassigned	\$ (967,171)			\$ (747,557)	\$ (51,210)	\$ (420,870)	\$ (136,940)	\$ (31,591)
Total Fund Balances (Deficit)	<u>(967,171)</u>	<u>246,847</u>	<u>1,589,189</u>	<u>(747,557)</u>	<u>(51,210)</u>	<u>(420,870)</u>	<u>(136,940)</u>	<u>(31,591)</u>
Total Liabilities and Fund Balances	<u>\$</u>	<u>\$ 446,173</u>	<u>\$ 1,589,189</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Capital Projects Funds

CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Capital Projects Funds Subtotals	Total
						\$ 3,949,629	\$ 3,949,629	\$ 8,958,566
								9,456,905
								876,207
								707,401
								371,014
	\$ 96,602			\$ 272,689	\$ 480,040	45,546	3,466,214	7,403,621
								75,678
								30,000
	<u>\$ 96,602</u>			<u>\$ 272,689</u>	<u>\$ 480,040</u>	<u>\$ 3,995,175</u>	<u>\$ 7,415,843</u>	<u>\$ 27,879,392</u>
	\$ 93,900			\$ 1,567	\$		\$ 1,251,645	\$ 1,383,861
								209,245
							291,638	291,638
								105,545
\$ 27,719		\$ 61,162	\$ 589,957				7,297,360	14,460,955
								548,494
<u>27,719</u>	<u>93,900</u>	<u>61,162</u>	<u>589,957</u>	<u>1,567</u>			<u>8,840,643</u>	<u>16,999,738</u>
								746,172
	\$ 2,702			\$ 271,122			\$ 2,631,042	\$ 2,450,521
								4,946,367
					\$ 480,040	\$ 3,995,175	4,475,215	12,602,112
\$ (27,719)		\$ (61,162)	\$ (589,957)				(8,531,057)	(9,865,518)
<u>(27,719)</u>	<u>2,702</u>	<u>(61,162)</u>	<u>(589,957)</u>	<u>271,122</u>	<u>480,040</u>	<u>3,995,175</u>	<u>(1,424,800)</u>	<u>10,133,482</u>
<u>\$</u>	<u>\$ 96,602</u>	<u>\$</u>	<u>\$</u>	<u>\$ 272,689</u>	<u>\$ 480,040</u>	<u>\$ 3,995,175</u>	<u>\$ 7,415,843</u>	<u>\$ 27,879,392</u>

**Non-Major Governmental Funds****Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances**

For Fiscal Year Ended June 30, 2017

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing and Urban Development	Housing Rehab Loan Fund	Economic Development Loan Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental	\$ 310,308				
Current services	4,800			\$ 1,905	\$ 68,177
Miscellaneous	2,282				
Total Revenues	<u>317,390</u>			<u>1,905</u>	<u>68,177</u>
Expenditures:					
Current:					
General government					
Public safety					
Public works					
Culture and recreation					
Education					
Public welfare	289,805				32,399
Debt service					
Total Expenditures	<u>289,805</u>				<u>32,399</u>
Excess (deficiency) of revenues over expenditures	27,585			1,905	35,778
Other Financing Sources:					
Bond proceeds					
Transfers in (out)					
Net change in fund balances	27,585			1,905	35,778
Fund Balances, Beginning (Deficit)	<u>(410,300)</u>	<u>131,086</u>	<u>2,974</u>	<u>313,072</u>	<u>(304,900)</u>
Fund Balances, Ending (Deficit)	<u>\$ (382,715)</u>	<u>\$ 131,086</u>	<u>\$ 2,974</u>	<u>\$ 314,977</u>	<u>\$ (269,122)</u>



Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund
\$ 44,330	\$ 30,045	\$ 60,000	\$ 50,233	\$ 80,517	\$ 125,150	\$ 70,749
					27,769	
<u>44,330</u>	<u>30,045</u>	<u>60,000</u>	<u>50,233</u>	<u>80,517</u>	<u>152,919</u>	<u>70,749</u>
134,923	38,682	102,764	54,663	56,766	187,984	62,050
<u>134,923</u>	<u>38,682</u>	<u>102,764</u>	<u>54,663</u>	<u>56,766</u>	<u>187,984</u>	<u>62,050</u>
(90,593)	(8,637)	(42,764)	(4,430)	23,751	(35,065)	8,699
<u>65,721</u>		<u>44,543</u>			<u>46,206</u>	<u>16,000</u>
(24,872)	(8,637)	1,779	(4,430)	23,751	11,141	24,699
<u>153,689</u>	<u>21,786</u>	<u>204</u>	<u>(17,050)</u>	<u>(12,098)</u>	<u>151,839</u>	<u>396,273</u>
<u>\$ 128,817</u>	<u>\$ 13,149</u>	<u>\$ 1,983</u>	<u>\$ (21,480)</u>	<u>\$ 11,653</u>	<u>\$ 162,980</u>	<u>\$ 420,972</u>

Special Revenue Funds

	Radiological Emergency Response	DOI Fund	Department of Commerce	EPA Fund	National Endowment for the Arts	School Cafeteria Fund	School Federal Aid Fund
Revenues:							
Taxes							
Licenses and permits							
Intergovernmental				\$ 57,610		\$ 746,133	\$ 2,846,951
Current services					\$ 1,950	782,174	
Miscellaneous							
Total Revenues				<u>57,610</u>	<u>1,950</u>	<u>1,528,307</u>	<u>2,846,951</u>
Expenditures:							
Current:							
General government				134,052			
Public safety					\$ 4,456		
Public works							
Culture and recreation		\$ 4,649	\$ 517				
Education						1,538,960	2,846,868
Public Welfare							
Debt service							
Total Expenditures		<u>4,649</u>	<u>517</u>	<u>134,052</u>	<u>4,456</u>	<u>1,538,960</u>	<u>2,846,868</u>
Excess (deficiency) of revenues over expenditures		(4,649)	(517)	(76,442)	(2,506)	(10,653)	83
Other Financing Sources:							
Bond proceeds							
Transfers in (out)					3,350	44,129	
Net change in fund balances		(4,649)	(517)	(76,442)	844	33,476	83
Fund Balances, Beginning (Deficit)	\$ 36,879	\$ (8,761)	505	(8,063)		317,550	41,596
Fund Balances, Ending (Deficit)	<u>\$ 36,879</u>	<u>\$ (13,410)</u>	<u>(12)</u>	<u>\$ (84,505)</u>	<u>\$ 844</u>	<u>\$ 351,026</u>	<u>\$ 41,679</u>

Special Revenue Funds

Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	Fire Special Projects Fund
\$ 21,093					\$ 3,020	
31,903			\$ 455,222	\$ 875,451	17,190	\$ 30,000
					74,159	
<u>52,996</u>	<u></u>	<u></u>	<u>455,222</u>	<u>875,451</u>	<u>94,369</u>	<u>30,000</u>
	\$ 20,000					
		\$ 34,562	377,966	447,203	44,748	3,200
53,173						
				79,291		
<u>53,173</u>	<u>20,000</u>	<u>34,562</u>	<u>377,966</u>	<u>526,494</u>	<u>44,748</u>	<u>3,200</u>
(177)	(20,000)	(34,562)	77,256	348,957	49,621	26,800
			(75,000)	(348,177)		
(177)	(20,000)	(34,562)	2,256	780	49,621	26,800
<u>24,756</u>	<u>(4,148)</u>	<u>210,977</u>	<u>58,924</u>	<u>95,578</u>	<u>50,376</u>	<u>144,490</u>
\$ <u>24,579</u>	\$ <u>(24,148)</u>	\$ <u>176,415</u>	\$ <u>61,180</u>	\$ <u>96,358</u>	\$ <u>99,997</u>	\$ <u>171,290</u>



Special Revenue Funds					
	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund
Revenues:					
Taxes	\$ 130,192				
Licenses and permits					
Intergovernmental		\$ 4,159			
Current services		963,091	\$ 708,067	\$ 383,001	
Miscellaneous	1,992	258		6,536	
Total Revenues	<u>132,184</u>	<u>967,508</u>	<u>708,067</u>	<u>389,537</u>	
Expenditures:					
Current:					
General government	562,669				
Public safety					
Public works		902,589			
Culture and recreation			454,355	476,884	36,967
Education					
Public welfare					
Debt service			398,443		
Total Expenditures	<u>562,669</u>	<u>902,589</u>	<u>852,798</u>	<u>476,884</u>	<u>36,967</u>
Excess (deficiency) of revenues over expenditures	(430,485)	64,919	(144,731)	(87,347)	(36,967)
Other Financing Sources:					
Bond proceeds					
Transfers in (out)	<u>(75,000)</u>		<u>132,999</u>	<u>15,500</u>	<u>155,779</u>
Net change in fund balances	(505,485)	64,919	(11,732)	(71,847)	118,812
Fund Balances, Beginning (Deficit)	<u>548,939</u>	<u>476,311</u>	<u>(519,311)</u>	<u>240,709</u>	<u>(116,558)</u>
Fund Balances, Ending (Deficit)	<u>\$ 43,454</u>	<u>\$ 541,230</u>	<u>\$ (531,043)</u>	<u>\$ 168,862</u>	<u>\$ 2,254</u>

Special Revenue Funds								
Library Fines Fund	Downtown Dover TIF Fund	Waterfront TIF District Fund	Tuition Programs Fund	Vocational Center Fund	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Special Revenue Funds Subtotals
	\$ 378,529	\$ 72,689					\$ 600,671	\$ 581,410
								603,691
								4,494,468
\$ 37,260			\$ 104,286		\$ 182,289	\$ 141,122		4,740,698
	10,000					1,000	886,072	1,010,068
<u>37,260</u>	<u>388,529</u>	<u>72,689</u>	<u>104,286</u>		<u>182,289</u>	<u>142,122</u>	<u>1,486,743</u>	<u>11,430,335</u>
	12,204	185,471					2	914,398
							56,069	1,571,474
							18,327	955,478
35,973							62,297	1,071,642
			104,286		624,045	225,016	87	5,392,435
								322,204
	638,662							1,116,396
<u>35,973</u>	<u>650,866</u>	<u>185,471</u>	<u>104,286</u>		<u>624,045</u>	<u>225,016</u>	<u>136,782</u>	<u>11,344,027</u>
1,287	(262,337)	(112,782)			(441,756)	(82,894)	1,349,961	86,308
	262,400	150,000			522,782		(600,403)	360,829
1,287	63	37,218			81,026	(82,894)	749,558	447,137
10,974	924	34,985	(6,873)	\$ 906	(82,179)	292,457	8,842,627	11,111,145
<u>\$ 12,261</u>	<u>\$ 987</u>	<u>\$ 72,203</u>	<u>\$ (6,873)</u>	<u>\$ 906</u>	<u>\$ (1,153)</u>	<u>\$ 209,563</u>	<u>\$ 9,592,185</u>	<u>\$ 11,558,282</u>

Capital Projects Funds

	CIP FY 18	CIP FY 17	CIP FY 15	CIP FY 14	CIP FY 13	CIP FY 12	CIP FY 11	CIP FY10
Revenues:								
Taxes								
Licenses and permits								
Intergovernmental							\$ 20,376	\$ 120,214
Current services								
Miscellaneous								
Total Revenues							20,376	120,214
Expenditures:								
Current:								
General government	\$ 65,266	\$ 41,088	\$ 4,346					
Public safety	5,900	328,589	42,557	\$ 3,544				
Public works	320,000	602,030	39,206	632,145	\$ 28,648	\$ 1,591,371	101,283	
Culture and recreation	16,228	84,168	342,883		1,282			11,682
Education		135,944						
Public welfare								
Debt service								
Total Expenditures	407,394	1,191,819	428,992	635,689	29,930	1,591,371	101,283	11,682
Excess (deficiency) of revenues over expenditures	(407,394)	(1,191,819)	(428,992)	(635,689)	(29,930)	(1,591,371)	(80,907)	108,532
Other Financing Sources:								
Bond proceeds								
Transfers in (out)		80,000		89,948				
Net change in fund balances	(407,394)	(1,111,819)	(428,992)	(545,741)	(29,930)	(1,591,371)	(80,907)	108,532
Fund Balances, Beginning (Deficit)		(593,102)	914	(123,998)	(212,799)	\$ (452,648)	602,089	(1,075,703)
Fund Balances, Ending (Deficit)	\$ (407,394)	\$ (1,704,921)	\$ (428,078)	\$ (669,739)	\$ (242,729)	\$ (2,044,019)	\$ 521,182	\$ (967,171)



Capital Projects Funds

CIP FY09	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03	CIP FY02	CIP FY01	CIP FY00
\$ 319,400	\$ 7,494 45,201	\$ 278,014	\$ 11,489 1,456 9,497		\$ 566 200			\$ 95,475	
<u>319,400</u>	<u>52,695</u>	<u>278,014</u>	<u>22,442</u>		<u>766</u>			<u>95,475</u>	
(319,400)	(52,695)	(278,014)	(22,442)		(766)			(95,475)	
<u>(319,400)</u>	<u>(52,695)</u>	<u>(278,014)</u>	<u>(22,442)</u>		<u>(766)</u>			<u>(95,475)</u>	
566,247	1,641,884	(469,543)	(28,768)	(420,870)	(136,174)	\$ (31,591)	(27,719)	98,177	(61,162)
<u>\$ 246,847</u>	<u>\$ 1,589,189</u>	<u>\$ (747,557)</u>	<u>\$ (51,210)</u>	<u>\$ (420,870)</u>	<u>\$ (136,940)</u>	<u>\$ (31,591)</u>	<u>\$ (27,719)</u>	<u>\$ 2,702</u>	<u>\$ (61,162)</u>

Capital Projects Funds						
	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Capital Projects Funds Subtotals	Total
Revenues:						
Taxes					\$	581,410
Licenses and permits						603,691
Intergovernmental					\$	140,590
Current services		\$ 70,183			70,183	4,810,881
Miscellaneous				\$ 9,200	9,200	1,019,268
Total Revenues		<u>70,183</u>		<u>9,200</u>	<u>219,973</u>	<u>11,650,308</u>
Expenditures:						
Current:						
General government					110,700	1,025,098
Public safety					380,590	1,952,064
Public works	\$ 352,451	5,930			4,290,027	5,245,505
Culture and recreation					553,374	1,625,016
Education					190,642	5,583,077
Public welfare						322,204
Debt service						1,116,396
Total Expenditures	<u>352,451</u>	<u>5,930</u>			<u>5,525,333</u>	<u>16,869,360</u>
Excess (deficiency) of revenues over expenditures	(352,451)	64,253		9,200	(5,305,360)	(5,219,052)
Other Financing Sources:						
Bond proceeds						
Transfers in (out)	<u>400,000</u>		<u>(718,279)</u>	<u>676,609</u>	<u>528,278</u>	<u>889,107</u>
Net change in fund balances	47,549	64,253	(718,279)	685,809	(4,777,082)	(4,329,945)
Fund Balances, Beginning (Deficit)	<u>(637,506)</u>	<u>206,869</u>	<u>1,198,319</u>	<u>3,309,366</u>	<u>3,352,282</u>	<u>14,463,427</u>
Fund Balances, Ending (Deficit)	<u>\$ (589,957)</u>	<u>\$ 271,122</u>	<u>\$ 480,040</u>	<u>\$ 3,995,175</u>	<u>\$ (1,424,800)</u>	<u>\$ 10,133,482</u>

**Detail and Combining Budget  
and Actual Schedules**



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### **General Fund**

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, public welfare, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

## Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes</b>				
Property taxes	\$ 76,252,304	\$ 76,196,880	\$ 76,751,779	\$ 554,899
Boat tax	25,000	25,000	20,372	(4,628)
Yield tax	2,500	2,500	4,941	2,441
Payment in lieu of taxes	85,807	85,807	101,809	16,002
Excavation tax	5,000	5,000	3,817	(1,183)
Tax interest and penalties	600,000	600,000	347,103	(252,897)
Total Taxes	<u>76,970,611</u>	<u>76,915,187</u>	<u>77,229,820</u>	<u>314,633</u>
<b>Licenses and Permits</b>				
Health licenses and permits	56,200	56,200	58,820	2,620
Building permits	500,000	500,000	779,390	279,390
Peddlers and vendors licenses	900	900	630	(270)
Motor vehicle permits	4,750,000	5,000,000	5,290,190	290,190
Electrical permits	110,000	110,000	153,737	43,737
Plumbing permits	160,000	160,000	189,050	29,050
Trailer park permits	175	175	150	(25)
Fire and rescue permits	14,200	14,200	25,961	11,761
Dog licenses	17,403	17,403	18,668	1,265
Marriage license fees	2,450	2,450	1,582	(868)
Birth, death and marriage certificates	22,002	22,002	39,755	17,753
Miscellaneous licenses and permits	9,300	9,300	9,553	253
Taxi licenses	500	500	780	280
Total Licenses and Permits	<u>5,643,130</u>	<u>5,893,130</u>	<u>6,568,265</u>	<u>675,135</u>
<b>Intergovernmental</b>				
Rooms and meals distribution	1,600,000	1,578,381	1,578,381	
Federal grant reimbursement	10,000	10,000	21,998	11,998
State reimbursement	1,250	1,250	5,704	4,454
Highway block grant	506,862	584,683	584,673	(10)
Miscellaneous Intergovernmental	37,174	37,174	7,567	(29,607)
Total Intergovernmental	<u>2,155,286</u>	<u>2,211,488</u>	<u>2,198,323</u>	<u>(13,165)</u>

(continued)



(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Services				
Sales and service charges	\$ 1,281,302	\$ 1,281,302	\$ 1,235,527	\$ (45,775)
Copy sales	200	200	162	(39)
Vending machine sales	3,500	3,500	2,667	(833)
Commissions	3,000	3,000	4,660	1,660
Ambulance services	1,330,266	1,080,266	1,260,411	180,145
Interment charges	43,400	43,400	52,595	9,195
Headstone foundations	9,000	9,000	6,422	(2,578)
Pro shop	14,000	14,000	9,139	(4,861)
Recreation charges	350,385	350,385	324,445	(25,940)
Non-resident charges	51,086	51,086	41,858	(9,228)
Food sales	44,000	44,000	36,816	(7,184)
Vending sales	10,000	10,000	7,129	(2,871)
Department overhead allocations	512,998	512,998	512,998	
Miscellaneous service charges	35,920	35,920	38,864	2,944
Total Current Services	<u>3,689,057</u>	<u>3,439,057</u>	<u>3,533,692</u>	<u>94,635</u>
Education				
Tuition	10,149,211	11,423,972	11,459,152	35,180
Federal grant reimbursement	655,000	655,000	599,380	(55,620)
State intergovernmental	4,198,684	4,275,709	3,929,701	(346,008)
Miscellaneous revenue	306,000	302,011	192,089	(109,922)
Total Education Income	<u>15,308,895</u>	<u>16,656,692</u>	<u>16,180,321</u>	<u>(476,371)</u>
Miscellaneous				
Miscellaneous revenue	14,775	14,775	54,774	39,999
District court receipts	25,000	25,000		(25,000)
Miscellaneous fines and forfeits	19,400	19,400	11,401	(7,999)
Sale of city property	23,625	23,625	26,168	2,543
Investment income	228,739	228,739	490,533	261,794
Facilities rental	273,312	273,312	275,585	2,273
Interest on arrears			12,276	12,276
Equipment rental	2,000	2,000	1,873	(127)
Total Miscellaneous	<u>586,851</u>	<u>586,851</u>	<u>872,610</u>	<u>285,759</u>
Other Financing Sources				
Transfers in	3,355,757	3,355,757	2,894,796	(460,961)
Other financing sources	95,000	95,000	110,616	15,616
Total Other Financing Sources	<u>3,450,757</u>	<u>3,450,757</u>	<u>3,005,412</u>	<u>(445,345)</u>
Total Revenues and Other Financing Sources	<u>\$ 107,804,587</u>	<u>\$ 109,153,162</u>	<u>\$ 109,588,444</u>	<u>\$ 435,282</u>

## Detail Schedule of Expenditures and Other Financing Uses

### Budget and Actual - General Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government				
City Council	\$ 444,459	\$ 444,459	\$ 433,734	\$ 10,725
Executive	918,106	918,106	875,508	42,598
Finance	1,808,151	1,808,151	1,783,188	24,963
Planning	661,252	671,252	669,596	1,656
Miscellaneous	1,004,542	1,035,262	988,408	46,854
Total General Government	<u>4,836,510</u>	<u>4,877,230</u>	<u>4,750,434</u>	<u>126,796</u>
Public Safety				
Police	8,537,733	8,487,733	8,248,279	239,454
Fire and rescue	8,610,508	8,610,508	8,499,682	110,826
Total Public Safety	<u>17,148,241</u>	<u>17,098,241</u>	<u>16,747,961</u>	<u>350,280</u>
Public Works				
Community Services - Public Works	6,968,806	7,108,806	7,103,368	5,438
Total Public Works	<u>6,968,806</u>	<u>7,108,806</u>	<u>7,103,368</u>	<u>5,438</u>
Culture and Recreation				
Recreation	2,140,481	2,140,481	2,069,362	71,119
Public Library	1,300,849	1,300,849	1,246,142	54,707
Total Culture and Recreation	<u>3,441,330</u>	<u>3,441,330</u>	<u>3,315,504</u>	<u>125,826</u>
Public welfare				
Public welfare	836,183	836,183	712,921	123,262
Total Public Welfare	<u>836,183</u>	<u>836,183</u>	<u>712,921</u>	<u>123,262</u>
Education				
School Department	49,542,420	50,890,217	49,790,015	1,100,202
Total Education	<u>49,542,420</u>	<u>50,890,217</u>	<u>49,790,015</u>	<u>1,100,202</u>
Debt Service				
Principal	6,450,244	6,450,244	6,074,135	376,109
Interest	6,415,436	6,415,436	6,125,814	289,622
Total Debt Service	<u>12,865,680</u>	<u>12,865,680</u>	<u>12,199,949</u>	<u>665,731</u>
Intergovernmental				
County tax	8,643,721	8,513,779	8,513,779	
Total Intergovernmental	<u>8,643,721</u>	<u>8,513,779</u>	<u>8,513,779</u>	
Transfers				
Transfer out	3,521,696	3,521,696	3,521,696	
Total Transfers	<u>3,521,696</u>	<u>3,521,696</u>	<u>3,521,696</u>	
Total Expenditures and Other Financing Uses	<u>\$ 107,804,587</u>	<u>\$ 109,153,162</u>	<u>\$ 106,655,627</u>	<u>\$ 2,497,535</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$</u>	<u>\$</u>	<u>\$ 2,932,817</u>	<u>\$ 2,932,817</u>

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## Combining Schedule of Revenues and Expenditures Budget and Actual

### Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2017

	Parking Activity		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 850,720	\$ 875,452	\$ 24,732
Intergovernmental			
Miscellaneous			
Other financing sources			
Total Revenues	<u>850,720</u>	<u>875,452</u>	<u>24,732</u>
Expenditures:			
Public safety	507,095	443,407	63,689
Education			
Public works			
Culture and recreation			
Debt service	79,292	79,292	
Other financing uses	<u>274,455</u>	<u>348,177</u>	<u>(73,722)</u>
Total Expenditures	<u>860,842</u>	<u>870,876</u>	<u>(10,033)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ (10,122)</u>	<u>\$ 4,576</u>	<u>\$ 14,699</u>

Residential Solid Waste			Library Fines		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 930,000	\$ 963,091	\$ 33,091	\$ 32,077	\$ 37,260	\$ 5,183
9,556	4,159	(5,397)			
	258	258			
<u>2,980</u>		<u>(2,980)</u>	<u>10,000</u>		<u>(10,000)</u>
<u>942,536</u>	<u>967,508</u>	<u>24,972</u>	<u>42,077</u>	<u>37,260</u>	<u>(4,817)</u>
988,032	929,257	58,775			
			32,465	35,973	(3,508)
27,111		27,111			
<u>5,000</u>		<u>5,000</u>	<u>9,612</u>		<u>9,612</u>
<u>1,020,143</u>	<u>929,257</u>	<u>90,886</u>	<u>42,077</u>	<u>35,973</u>	<u>6,104</u>
\$ <u>(77,607)</u>	\$ <u>38,251</u>	\$ <u>115,858</u>	\$ <u></u>	\$ <u>1,287</u>	\$ <u>1,287</u>

## Combining Schedule of Revenues and Expenditures Budget and Actual

### Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2017

	Tuition Programs		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 125,000	\$ 104,286	\$ (20,714)
Intergovernmental			
Miscellaneous revenue			
Other financing sources			
Total Revenues	<u>125,000</u>	<u>104,286</u>	<u>(20,714)</u>
Expenditures:			
Public safety			
Education	125,000	104,286	20,714
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>125,000</u>	<u>104,286</u>	<u>20,714</u>
Revenues and other financing sources over (under) expenditures	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>



School Alternative Education			School Facilities		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 240,000	\$ 182,289	\$ (57,711)	\$ 101,500	\$ 19,311	\$ (82,189)
			200,000		(200,000)
			210,000	122,871	(87,129)
<u>440,700</u>	<u>522,782</u>	<u>82,082</u>	<u>511,500</u>	<u>142,182</u>	<u>(369,318)</u>
<u>680,700</u>	<u>705,071</u>	<u>24,371</u>			
680,700	621,591	59,109	512,500	217,282	295,218
<u>680,700</u>	<u>621,591</u>	<u>59,109</u>	<u>512,500</u>	<u>217,282</u>	<u>295,218</u>
\$ <u><u>          </u></u>	\$ <u><u>83,480</u></u>	\$ <u><u>83,480</u></u>	\$ <u><u>(1,000)</u></u>	\$ <u><u>(75,099)</u></u>	\$ <u><u>(74,099)</u></u>

## Combining Schedule of Revenues and Expenditures Budget and Actual

### Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2017

	McConnell Center		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 718,028	\$ 708,067	\$ (9,961)
Intergovernmental			
Miscellaneous			
Other financing sources	209,476	133,901	(75,575)
Total Revenues	<u>927,504</u>	<u>841,968</u>	<u>(85,536)</u>
Expenditures:			
Public safety			
Education			
Public works			
Culture and recreation	545,939	453,064	92,875
Debt service	398,444	398,443	1
Total Expenditures	<u>944,383</u>	<u>851,507</u>	<u>92,876</u>
Revenues and other financing source over (under) expenditures	\$ <u>(16,879)</u>	\$ <u>(9,539)</u>	\$ <u>7,340</u>

Police DHA Fund			School Cafeteria		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 104,543	\$ 60,000	\$ (44,543)	\$ 870,000	\$ 758,746	\$ (111,254)
			885,000	748,704	(136,296)
			5,000	20,857	15,857
				44,129	44,129
<u>104,543</u>	<u>60,000</u>	<u>(44,543)</u>	<u>1,760,000</u>	<u>1,572,436</u>	<u>(187,564)</u>
104,543	102,764	1,779	1,760,000	1,465,467	294,533
<u>104,543</u>	<u>102,764</u>	<u>1,779</u>	<u>1,760,000</u>	<u>1,465,467</u>	<u>294,533</u>
\$ <u><u>          </u></u>	\$ <u><u>(42,764)</u></u>	\$ <u><u>(42,764)</u></u>	\$ <u><u>          </u></u>	\$ <u><u>106,969</u></u>	\$ <u><u>106,969</u></u>



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## **Enterprise Funds**

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

**Proprietary Funds****Schedule of Revenues and Expenses - Budget and Actual****For the Year Ended June 30, 2017**

		Water Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,948,191	\$ 4,659,866	\$ (288,325)
Other	70,500	107,992	37,492
Total Operating Revenues	<u>5,018,691</u>	<u>4,767,858</u>	<u>(250,833)</u>
Operating Expenses:			
Personnel services	1,156,873	1,061,496	95,377
Purchased services	375,591	303,721	71,870
Supplies and materials	645,820	636,162	9,658
Minor equipment	315,446	951	314,495
Other	249,173	214,105	35,068
Depreciation	<u>1,263,896</u>	<u>926,373</u>	<u>337,523</u>
Total Operating Expenses	<u>4,006,799</u>	<u>3,142,808</u>	<u>863,991</u>
Operating Income (Loss)	<u>1,011,892</u>	<u>1,625,050</u>	<u>613,158</u>
Non-Operating Income (Expenses):			
Investment Income		191,774	191,774
Interest expense	(541,928)	(321,639)	220,289
Intergovernmental		639,160	639,160
Total Non-Operating Income (Expenses)	<u>(541,928)</u>	<u>509,295</u>	<u>1,051,223</u>
Net Income (Loss) Before Transfers	<u>469,964</u>	<u>2,134,345</u>	<u>1,664,381</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(110,289)	(110,289)	
Total Other Financing Sources and Uses	<u>(110,289)</u>	<u>(110,289)</u>	
Net Income (Loss)	<u>\$ 359,675</u>	<u>\$ 2,024,056</u>	<u>\$ 1,664,381</u>



	Sewer Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 6,505,810	\$ 6,590,159	\$ 84,349
Other	57,000	62,453	5,453
Total Operating Revenues	<u>6,562,810</u>	<u>6,652,612</u>	<u>89,802</u>
Operating Expenses:			
Personnel services	1,736,660	1,609,696	126,964
Purchased services	907,695	626,575	281,120
Supplies and materials	857,920	807,944	49,976
Minor equipment	199,135	81,332	117,803
Other	355,202	308,409	46,793
Depreciation	2,420,114	2,022,358	397,756
Total Operating Expenses	<u>6,476,726</u>	<u>5,456,313</u>	<u>1,020,413</u>
Operating Income (Loss)	<u>86,084</u>	<u>1,196,299</u>	<u>1,110,215</u>
Non-Operating Income (Expenses):			
Investment Income		320,346	320,346
Interest expense	(629,732)	(520,356)	109,376
Intergovernmental	943,590	4,458	(939,132)
Total Non-Operating Income (Expenses)	<u>313,858</u>	<u>(195,552)</u>	<u>(509,410)</u>
Net Income (Loss) Before Transfers	<u>399,942</u>	<u>1,000,747</u>	<u>600,805</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(54,955)	(254,955)	(200,000)
Total Other Financing Sources and Uses	<u>(54,955)</u>	<u>(254,955)</u>	<u>(200,000)</u>
Net Income (Loss)	<u>\$ 344,987</u>	<u>\$ 745,792</u>	<u>\$ 400,805</u>

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### **Internal Service Funds**

- Dover Net Fund – To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- Central Stores Fund – To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- Fleet Maintenance Fund – To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- Workers Compensation Fund – To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.
- OPEB Fund – To account for the costs related to post-employment benefits other than pensions for eligible retirees and current employees.



**Internal Service Funds****Combining Statement of Net Position**

June 30, 2017

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
<b>ASSETS</b>						
Current:						
Departmental and other receivables	\$ 25,880		\$ 9,348		\$ 13,637	\$ 48,865
Due from (to) other funds	691,672	\$ 55,038	147,138	\$ 91,570	10,535	995,953
Prepaid expenses				20,000		20,000
Inventory			68,759			68,759
Total Assets	<u>717,552</u>	<u>55,038</u>	<u>225,245</u>	<u>111,570</u>	<u>24,172</u>	<u>1,133,577</u>
<b>LIABILITIES</b>						
Current:						
Accounts payable	9,195	3,931	27,661	3,247		44,034
Accrued liabilities	9,455		6,970			16,425
Claims liability				91,000		91,000
Compensated absences	34,004		21,478			55,482
Total Current Liabilities	<u>52,654</u>	<u>3,931</u>	<u>56,109</u>	<u>94,247</u>		<u>206,941</u>
Non-current:						
Claims liability, net of current portion				143,000		143,000
Total Liabilities	<u>52,654</u>	<u>3,931</u>	<u>56,109</u>	<u>237,247</u>		<u>349,941</u>
<b>NET Position</b>						
Restricted for capital projects	259,974					259,974
Unrestricted	<u>404,924</u>	<u>51,107</u>	<u>169,136</u>	<u>(125,677)</u>	<u>24,172</u>	<u>523,662</u>
Total Net Position	<u>\$ 664,898</u>	<u>\$ 51,107</u>	<u>\$ 169,136</u>	<u>\$ (125,677)</u>	<u>\$ 24,172</u>	<u>\$ 783,636</u>

## Internal Service Funds

Combining Statement of Revenues, Expenses  
and Changes in Fund Net Position

For Fiscal Year Ended June 30, 2017

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Operating Revenues:						
Charges for services	\$ 591,150	\$ 93,881	\$ 846,302	\$ 520,423		\$ 2,051,756
Miscellaneous	326,732		28,510			355,242
Total Operating Revenues	<u>917,882</u>	<u>93,881</u>	<u>874,812</u>	<u>520,423</u>		<u>2,406,998</u>
Operating Expenses:						
Personal services	609,686		465,136	464,771	\$ 1,554,914	3,094,507
Purchased services	158,450	57,666	17,939	108,677		342,732
Supplies	21,839	27,902	12,276			62,017
Minor equipment	105,278		62,584			167,862
Other expenses			289,660	13,330		302,990
Total Operating Expenses	<u>895,253</u>	<u>85,568</u>	<u>847,595</u>	<u>586,778</u>	<u>1,554,914</u>	<u>3,970,108</u>
Operating Income (Loss)	<u>22,629</u>	<u>8,313</u>	<u>27,217</u>	<u>(66,355)</u>	<u>(1,554,914)</u>	<u>(1,563,110)</u>
Nonoperating revenue (expense)						
Transfer in (out)	(16,689)		(66,403)		1,495,489	1,412,397
Intergovernmental	(3)			79,047	76,666	155,710
Total nonoperating revenues (expenses)	<u>(16,692)</u>		<u>(66,403)</u>	<u>79,047</u>	<u>1,572,155</u>	<u>1,568,107</u>
Change in Net Position	5,937	8,313	(39,186)	12,692	17,241	4,997
Net Position at Beginning of Year	<u>658,961</u>	<u>42,794</u>	<u>208,322</u>	<u>(138,369)</u>	<u>6,931</u>	<u>778,639</u>
Net Position at End of Year	<u>\$ 664,898</u>	<u>\$ 51,107</u>	<u>\$ 169,136</u>	<u>\$ (125,677)</u>	<u>\$ 24,172</u>	<u>\$ 783,636</u>

## Internal Service Funds

## Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2017

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
<b>Cash Flows From Operating Activities:</b>						
Receipts from customers and users for services	\$ 925,924	\$ 93,881	\$ 871,033	\$ 520,423		\$ 2,411,261
Payments to vendors and contractors	(295,501)	(85,698)	(360,602)	(132,188)	\$ (1,554,914)	(2,428,903)
Payments of employee salaries and benefits	(600,188)		(465,406)	(496,771)		(1,562,365)
Receipts for interfund service provided		(8,183)		29,489	(17,241)	4,065
Payments for interfund service provided	(13,543)		21,378			7,835
<b>Net Cash Provided By (Used For) Operating Activities</b>	<u>16,692</u>	<u></u>	<u>66,403</u>	<u>(79,047)</u>	<u>(1,572,155)</u>	<u>(1,568,107)</u>
<b>Cash Flows From Noncapital Financing Activities:</b>						
Transfer in	(16,689)				1,495,489	1,478,800
Transfer out			(66,403)			(66,403)
Intergovernmental subsidy	(3)			79,047	76,666	155,710
<b>Net Cash Provided By Noncapital Financing Activities</b>	<u>(16,692)</u>	<u></u>	<u>(66,403)</u>	<u>79,047</u>	<u>1,572,155</u>	<u>1,568,107</u>
<b>Cash and Short Term Investments, Beginning of Year</b>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<b>Cash and Short Term Investments, End of Year</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</b>						
Operating income (loss)	\$ 22,629	\$ 8,313	\$ 27,217	\$ (66,355)	\$ (1,554,914)	\$ (1,563,110)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Changes in assets and liabilities:						
Inventory			6,511			6,511
Departmental and other receivables	8,042		(3,779)			4,263
Interfund receivables/payables	(13,543)	(8,183)	21,378	29,489	(17,241)	11,900
Accounts payable	(9,934)	(130)	15,346	(10,181)		(4,899)
Accrued liabilities	1,514		(528)	(32,000)		(31,014)
Compensated absences	7,984		258			8,242
<b>Net Cash Provided By (Used For) Operating Activities</b>	<u>\$ 16,692</u>	<u>\$</u>	<u>\$ 66,403</u>	<u>\$ (79,047)</u>	<u>\$ (1,572,155)</u>	<u>\$ (1,568,107)</u>



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**Internal Service Funds****Schedule of Revenues and Expenses - Budget and Actual**

For the Year Ended June 30, 2017

	Dover Net Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 591,162	\$ 591,150	\$ (12)
Other revenue	325,000	326,732	1,732
Total Operating Revenues	<u>916,162</u>	<u>917,882</u>	<u>1,720</u>
Operating Expenses:			
Personnel services	672,651	609,351	63,300
Purchased services	182,884	155,473	27,411
Supplies and materials	10,547	22,028	(11,481)
Minor equipment	439,799	150,927	288,872
Other	2,795		2,795
Total Operating Expenses	<u>1,308,675</u>	<u>937,779</u>	<u>370,896</u>
Operating Income (Loss)	(392,513)	(19,897)	372,616
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(392,513)</u>	<u>(19,897)</u>	<u>372,616</u>
Other Financing Sources and Uses			
Use of retained earnings	235,524		(235,524)
Transfers in			
Transfers out	<u>(16,489)</u>	<u>(16,689)</u>	<u>(200)</u>
Total Other Financing Sources and Uses	<u>219,035</u>	<u>(16,689)</u>	<u>(235,724)</u>
Net Income (Loss)	<u>\$ (173,478)</u>	<u>\$ (36,586)</u>	<u>\$ 136,892</u>

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 101,586	\$ 93,881	\$ (7,705)
Other revenue			
Total Operating Revenues	<u>101,586</u>	<u>93,881</u>	<u>(7,705)</u>
Operating Expenses:			
Personnel services			
Purchased services	68,255	58,069	10,186
Supplies and materials	36,950	29,892	7,058
Minor equipment			
Other			
Total Operating Expenses	<u>105,205</u>	<u>87,961</u>	<u>17,244</u>
Operating Income (Loss)	(3,619)	5,920	9,539
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(3,619)</u>	<u>5,920</u>	<u>9,539</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ (3,619)</u>	<u>\$ 5,920</u>	<u>\$ 9,539</u>



	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 787,885	\$ 846,302	\$ 58,417
Other revenue	27,725	28,510	785
Total Operating Revenues	<u>815,610</u>	<u>874,812</u>	<u>59,202</u>
Operating Expenses:			
Personnel services	465,088	459,878	5,210
Purchased services	21,818	17,939	3,879
Supplies and materials	18,088	11,994	6,094
Minor equipment	74,635	86,785	(12,150)
Other	231,794	289,660	(57,866)
Total Operating Expenses	<u>811,423</u>	<u>866,256</u>	<u>(54,833)</u>
Operating Income (Loss)	4,187	8,556	4,369
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>4,187</u>	<u>8,556</u>	<u>4,369</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in			
Transfers out	(66,223)	(66,403)	
Total Other Financing Sources and Uses	<u>(66,223)</u>	<u>(66,403)</u>	
Net Income (Loss)	<u>\$ (62,036)</u>	<u>\$ (57,847)</u>	<u>\$ 4,369</u>

	Workers Compensation Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 654,358	\$ 520,423	\$ (133,935)
Other revenue			
Total Operating Revenues	<u>654,358</u>	<u>520,423</u>	<u>(133,935)</u>
Operating Expenses:			
Personnel services	573,320	464,771	108,549
Purchased services	12,538	110,257	(97,719)
Supplies and materials			
Minor equipment			
Other	68,500	13,330	55,170
Total Operating Expenses	<u>654,358</u>	<u>588,358</u>	<u>66,000</u>
Operating Income (Loss)		(67,935)	(67,935)
Non-Operating Income (Expenses)			
Intergovernmental		79,047	79,047
Net Income (Loss) Before Transfers		<u>11,112</u>	<u>11,112</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	\$ <u><u>          </u></u>	\$ <u><u>11,112</u></u>	\$ <u><u>11,112</u></u>

	OPEB Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services			
Other revenue			
Total Operating Revenues			
Operating Expenses:			
Personnel services	\$ 1,495,309	\$ 1,554,914	\$ (59,605)
Purchased services			
Supplies and materials			
Minor equipment			
Other			
Total Operating Expenses	1,495,309	1,554,914	(59,605)
Operating Income (Loss)	(1,495,309)	(1,554,914)	(59,605)
Non-Operating Income (Expenses)			
Intergovernmental		76,666	76,666
Net Income (Loss) Before Transfers	(1,495,309)	(1,478,248)	17,061
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in	1,495,909	1,495,489	(420)
Transfers out			
Total Other Financing Sources and Uses	1,495,909	1,495,489	(420)
Net Income (Loss)	\$ 600	\$ 17,241	\$ 16,641



## **Fiduciary Funds**

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

### **Agency Funds:**

- Performance Bonds – To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the request.
- Chamber of Commerce – To account for funds received from Chamber of Commerce for its Riverwalk Project.
- Department Agency – To account for funds received from other organizations for activities administered by various City departments.
- School Agency – To account for funds received from other organizations for activities administered by the Dover School Department.

### **Private Purpose Funds:**

- Cemetery – To account for private donations left in trust to maintain graves and provide flowers.
- Parks and Recreation – To account for private donations left in trust to assist individuals attending various recreational programs.
- Welfare – To account for private donations left in trust for the benefit of low or moderate income individuals.
- School – To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

**Agency Funds****Combining Statement of Assets and Liabilities**

June 30, 2017

	Performance Deposits	Chamber of Commerce	Department Agency	School Agency	Total
<b>ASSETS</b>					
Cash and short-term investments				\$ 285,500	\$ 285,500
Due from other funds	\$ 864,489	\$ 3,083	\$ 113,730	31,186	1,012,488
Total Assets	<u>\$ 864,489</u>	<u>\$ 3,083</u>	<u>\$ 113,730</u>	<u>\$ 316,686</u>	<u>\$ 1,297,988</u>
<b>LIABILITIES</b>					
Other liabilities	\$ 864,489	\$ 3,083	\$ 113,730	\$ 316,686	\$ 1,297,988
Total Liabilities	<u>\$ 864,489</u>	<u>\$ 3,083</u>	<u>\$ 113,730</u>	<u>\$ 316,686</u>	<u>\$ 1,297,988</u>

## Agency Funds

## Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>Performance Deposits</b>				
Assets - due from other funds	\$ 1,042,549	\$ 189,523	\$ (367,383)	\$ 864,689
Liabilities - other liabilities	\$ 1,042,549	\$ 557,211	\$ (735,271)	\$ 864,489
<b>Chamber of Commerce</b>				
Assets - due from other funds	\$ 3,083	\$	\$	\$ 3,083
Liabilities - other liabilities	\$ 3,083	\$	\$	\$ 3,083
<b>Department Agency</b>				
Assets - due from other funds	\$ 115,519	\$ 128,588	\$ (135,377)	\$ 108,730
Liabilities - other liabilities	\$ 115,519	\$ 182,356	\$ (184,125)	\$ 113,750
<b>School Agency</b>				
Assets - cash	\$ 309,849	\$ 520,755	\$ (545,114)	\$ 285,490
Assets - due from other funds	25,382	51,817	(45,083)	32,116
Total Assets	\$ 335,231	\$ 572,572	\$ (590,197)	\$ 317,613
Liabilities - other liabilities	\$ 335,231	\$ 547,008	\$ (595,548)	\$ 286,691
<b>Totals</b>				
Assets - cash	\$ 309,849	\$ 520,755	\$ (545,114)	\$ 285,490
Assets - due from other funds	1,186,533	368,818	(545,383)	1,009,968
Total Assets	\$ 1,496,382	\$ 889,573	\$ (1,090,497)	\$ 1,295,453
Liabilities - other liabilities	\$ 1,496,382	\$ 1,389,575	\$ (1,380,344)	\$ 1,295,613



## Private Purpose Trust Funds

### Combining Statement of Fiduciary Net Position

June 30, 2017

	Cemetery	Parks and Recreation	Welfare	School	Total
<b>ASSETS</b>					
Due from other funds	\$ 211,850	\$ 55,833	\$ 169,801	\$ 465,543	\$ 903,027
Total Assets	<u>\$ 211,850</u>	<u>\$ 55,833</u>	<u>\$ 169,801</u>	<u>\$ 465,543</u>	<u>\$ 903,027</u>
<b>LIABILITIES AND NET ASSETS</b>					
Accounts payable	_____	_____	_____	_____	_____
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Total Net Position Held in Trust	<u>\$ 211,850</u>	<u>\$ 55,833</u>	<u>\$ 169,801</u>	<u>\$ 465,543</u>	<u>\$ 903,027</u>

## Private Purpose Trust Funds

### Combining Statement of Changes in Fiduciary Net Position

For Fiscal Year Ended June 30, 2017

	Cemetery	Parks and Recreation	Welfare	School	Total
Additions:					
Investment income	\$ 4,145	\$ 1,092	\$ 10,107	\$ 31,211	\$ 46,555
Total Additions	4,145	1,092	10,107	31,211	46,555
Deductions:					
Disbursements by agent	2,044	266	1,109	22,328	25,747
Total Deductions	2,044	266	1,109	22,328	25,747
Net Increase	2,101	826	8,998	8,883	20,808
Net Position:					
Beginning of Year	209,749	55,007	160,803	456,660	882,219
End of Year	<u>\$ 211,850</u>	<u>\$ 55,833</u>	<u>\$ 169,801</u>	<u>\$ 465,543</u>	<u>\$ 903,027</u>

## STATISTICAL SECTION



# City of Dover, New Hampshire

## Statistical Section

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	153 -161
Revenue Capacity	
These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.	162 -167
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	168 -170
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	171 -172
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	173 -178

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

# City of Dover, New Hampshire

## Net Position by Component

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014 (2)	2015 (1)	2016	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$60,502,720	\$ 76,018,355	\$ 80,024,915	\$ 84,864,320	\$ 87,621,792	\$ 94,608,955	\$ 97,393,335	\$ 104,384,508	\$ 102,213,192	\$ 114,917,870
Restricted	706,657	239,781	357,330	3,755,675	3,831,773	4,176,355	4,803,592	5,113,564	5,017,551	4,690,168
Unrestricted	1,555,309	(4,425,923)	(4,296,357)	(6,828,784)	(13,020,114)	(15,040,301)	(66,283,351)	(93,885,155)	(85,246,101)	(90,131,383)
Total governmental activities net position	\$ 62,764,686	\$ 71,832,213	\$ 76,085,888	\$ 81,791,211	\$ 78,433,451	\$ 83,745,009	\$ 35,913,576	\$ 15,612,917	\$ 21,984,642	\$ 29,476,655
<b>Business-type activities</b>										
Net investment in capital assets	\$ 51,471,577	\$ 46,561,358	\$ 48,633,637	\$ 50,765,070	\$ 49,606,632	\$ 50,399,796	\$ 49,645,760	\$ 54,075,727	\$ 54,216,135	\$ 56,569,572
Restricted	5,630,120	6,388,298	6,692,028	1,694,773	-	5,002,798	12,740,179	11,744,340	9,582,993	16,676,201
Unrestricted	(2,037,985)	5,702,564	2,367,829	5,792,867	8,189,888	4,252,345	(2,992,328)	(6,063,394)	(1,492,471)	(6,919,133)
Total business-type activities net position	\$ 55,063,712	\$ 58,652,220	\$ 57,693,494	\$ 58,252,710	\$ 57,796,520	\$ 59,654,939	\$ 59,393,611	\$ 59,756,673	\$ 62,306,657	\$ 66,326,640
<b>Primary government</b>										
Net investment in capital assets	\$ 111,974,297	\$ 122,579,713	\$ 128,658,552	\$ 135,629,390	\$ 137,228,424	\$ 145,008,751	\$ 147,039,095	\$ 158,460,235	\$ 156,429,327	\$ 171,487,442
Restricted	6,336,777	6,628,079	7,049,358	5,450,448	3,831,773	9,179,153	17,543,771	16,857,904	14,600,544	21,366,369
Unrestricted	(482,676)	1,276,641	(1,928,528)	(1,035,917)	(4,830,226)	(10,787,956)	(69,275,679)	(99,948,549)	(86,738,572)	(97,050,516)
Total primary government net position	\$ 117,828,398	\$ 130,484,433	\$ 133,779,382	\$ 140,043,921	\$ 136,229,971	\$ 143,399,948	\$ 95,307,187	\$ 75,369,590	\$ 84,291,299	\$ 95,803,295

Data Source:

Audited Financial Statements

Notes:

- (1) Total Net Position as restated for Fiscal Year ended June 30, 2015. Restatement resulting from implementation of GASB No. 75
- (2) Total Net Position as restated for Fiscal Year ended June 30, 2014. Restatement resulting from implementation of GASB No. 68.

# City of Dover, New Hampshire

## Changes in Net Position

### Last Ten Fiscal Years

(accrual basis of accounting)

	2003	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,926,090	\$ 3,177,368	\$ 3,483,389	\$ 6,120,791	\$ 6,057,408	\$ 7,187,927	\$ 7,411,338	\$ 8,901,013	\$ 8,553,210	\$ 8,693,548
Public safety	14,090,578	16,154,098	17,405,207	16,052,207	16,301,615	17,030,785	17,699,453	17,517,777	17,558,603	19,556,049
Public works	8,389,627	10,621,801	11,922,320	4,881,919	16,831,168	6,720,090	6,894,215	12,089,715	6,854,042	10,504,381
Culture and recreation	3,468,304	3,669,804	3,498,168	3,313,255	3,325,068	3,392,827	3,554,501	3,572,041	3,673,521	3,572,622
Education	45,032,173	45,929,648	45,269,003	48,719,865	47,519,865	47,458,874	47,458,874	50,402,542	53,314,125	56,829,940
Public Welfare	1,099,641	740,125	861,608	813,196	880,622	948,950	775,598	737,746	877,251	705,534
Intergovernmental - County Tax	5,922,221	6,772,323	7,030,640	7,033,271	7,033,817	7,521,574	7,771,789	8,057,565	8,331,912	8,513,719
Interest	3,088,791	3,131,043	3,287,626	3,448,823	3,146,142	3,216,334	3,126,899	3,790,619	3,634,735	6,146,247
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	85,927,425	90,196,214	92,756,959	99,453,309	101,365,705	94,115,043	94,760,607	105,069,018	104,097,399	114,522,100
Business-type activities:										
Water services	3,430,042	3,892,626	3,745,551	3,414,368	3,618,587	3,598,668	3,676,337	3,701,217	3,321,172	3,531,457
Sewer services	5,017,000	6,472,362	5,426,802	5,227,382	5,345,924	5,866,950	5,995,494	6,156,907	5,849,208	4,736,927
Arena services	1,427,762	39,516	-	-	-	-	-	-	-	-
DBIDA services	138,441	177,886	298,878	312,954	195,493	134,900	144,643	141,508	161,027	164,510
Total business-type activities expenses	10,013,245	9,552,393	9,471,231	8,954,704	9,160,004	9,600,518	9,816,474	9,999,632	9,331,407	8,432,884
Total primary government expense:	\$ 95,940,670	\$ 99,748,607	\$ 102,228,190	\$ 108,408,013	\$ 110,525,709	\$ 103,715,561	\$ 104,597,081	\$ 115,068,650	\$ 113,428,806	\$ 122,954,984
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 1,148,111	\$ 916,590	\$ 2,085,157	\$ 1,631,363	\$ 1,577,067	\$ 2,216,125	\$ 3,729,530	\$ 2,876,880	\$ 2,963,873	\$ 2,701,862
General government	1,336,480	1,794,657	1,872,986	2,339,389	2,296,257	2,541,417	2,603,827	3,447,189	3,148,182	4,053,762
Public safety	2,936,784	1,253,462	1,231,521	1,817,936	1,161,907	1,128,952	1,158,560	1,158,560	1,286,767	1,386,754
Public works	650,656	1,242,867	1,463,061	1,757,855	1,594,068	1,638,059	1,742,357	1,788,250	1,688,880	1,649,713
Culture and recreation	14,070,236	14,929,866	7,167,891	6,379,642	6,338,914	5,328,384	5,147,522	5,768,692	5,670,387	5,436,691
Education	180,465	82,006	81,955	214,171	219,255	292,396	161,041	12,906	20,252	62,078
Public Welfare	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total charges for services	20,323,732	20,219,448	13,902,671	14,140,556	13,560,393	13,388,063	14,762,310	15,003,689	14,754,981	15,324,340
Operating grants and contributions	6,582,484	9,279,478	18,091,830	15,094,862	14,059,924	14,158,744	14,167,426	14,649,336	15,356,821	21,511,837
Capital grants and contributions	1,026,815	2,983,635	904,887	719,491	860,251	643,193	789,934	707,009	673,704	988,869
Total governmental activities program revenues	27,933,031	32,482,561	32,899,388	29,954,909	28,280,568	28,190,000	29,748,670	30,360,034	30,785,506	37,824,843
Business-type activities:										
Charges for services	4,011,562	3,986,112	3,961,121	4,671,077	4,272,878	4,680,037	4,825,940	5,071,805	5,190,575	4,942,439
Water services	4,129,003	4,060,736	4,095,345	4,506,884	4,572,478	5,353,439	5,540,241	6,413,239	6,735,265	6,954,628
Sewer services (1)	1,568,628	-	-	-	-	-	-	-	-	-
Arena services	138,353	129,335	175,787	168,854	83,157	1,200	2,400	2,400	1,200	-
Total charges for services	9,847,746	8,176,083	8,232,253	9,846,815	8,928,513	10,024,686	10,668,581	11,487,444	11,927,040	11,897,067
Operating grants and contributions	240,877	424,092	134,611	77,679	27,913	1,386,909	760,539	1,286,827	51,657	643,618
Capital grants and contributions	10,088,673	8,600,175	8,988,864	9,424,494	8,956,426	11,421,955	11,147,730	13,274,271	11,978,697	12,540,085
Total business-type activities program revenues	38,021,694	41,092,736	41,286,252	39,379,403	37,236,994	39,613,959	41,168,780	44,314,305	42,764,203	50,365,528
Total primary government program revenue:	\$ 67,954,725	\$ 73,575,297	\$ 74,185,640	\$ 69,334,312	\$ 65,517,562	\$ 67,808,960	\$ 70,917,450	\$ 74,674,339	\$ 73,549,709	\$ 88,190,371
<b>Net (Expense)Revenue</b>										
Governmental activities:										
Business-type activities	\$ (57,919,016)	\$ (58,155,871)	\$ (60,961,938)	\$ (60,028,610)	\$ (73,288,715)	\$ (64,103,966)	\$ (63,428,291)	\$ (71,934,345)	\$ (70,664,603)	\$ (72,589,466)
Total primary government net expense:	\$ (57,919,016)	\$ (58,155,871)	\$ (60,961,938)	\$ (60,028,610)	\$ (73,288,715)	\$ (64,103,966)	\$ (63,428,291)	\$ (71,934,345)	\$ (70,664,603)	\$ (72,589,466)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 55,835,213	\$ 58,488,588	\$ 60,266,022	\$ 61,572,865	\$ 65,534,332	\$ 65,837,919	\$ 68,395,136	\$ 71,275,622	\$ 73,814,896	\$ 77,340,733
Motor vehicle registration tax	3,803,303	3,692,119	3,567,586	3,533,202	3,710,068	3,933,255	4,265,850	4,665,284	4,993,254	5,288,728
Penalties, interest and other taxes	25,037	8,354	307,005	358,594	417,100	445,156	503,025	414,868	375,076	368,115
Unrestricted investment income(loss)	1,110,037	16,804	(108,988)	719,992	(177,927)	115,400	538,291	188,596	242,475	988,042
Other revenue	208,790	494,196	207,849	99,760	284,616	929,015	193,345	330,930	134,784	69,321
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Transfers, net	(1,227,259)	(130,000)	(130,000)	(82,120)	(40,802)	(34,618)	(1,316,280)	(44,930)	123,193	123,331
Total governmental activities	60,882,380	61,473,802	64,109,464	66,201,293	69,727,317	71,226,127	72,579,367	76,830,330	79,663,618	84,159,270
Business-type activities:										
Investment income	106,033	40,213	15,641	7,309	3,146	2,223	865	19,046	25,887	35,523
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers, net	-	1,227,259	130,000	82,120	40,802	34,618	7,330	44,930	(123,193)	(123,331)
Total business-type activities	106,033	1,267,472	145,641	89,429	82,579	36,841	8,195	63,976	(97,306)	(67,809)
Total primary government	\$ 61,988,413	\$ 62,741,274	\$ 64,255,105	\$ 66,290,722	\$ 69,809,896	\$ 71,262,968	\$ 72,587,562	\$ 76,894,306	\$ 79,566,312	\$ 84,101,462
<b>Change in Net Position</b>										
Governmental activities	\$ 2,987,986	\$ 3,770,149	\$ 4,251,893	\$ 5,702,893	\$ (3,357,760)	\$ 5,301,084	\$ 7,548,430	\$ 2,121,346	\$ 6,371,725	\$ 7,492,013
Business-type activities	181,411	815,254	(958,726)	559,219	(120,999)	1,610,841	1,610,841	2,638,615	2,549,984	4,019,983
Total primary government	\$ 3,169,397	\$ 4,585,403	\$ 3,293,167	\$ 6,262,112	\$ (3,478,759)	\$ 7,159,002	\$ 9,159,271	\$ 4,959,961	\$ 8,921,709	\$ 11,511,996

Date Source:

Audited Financial Statements

Notes:

(1) In FY2009 the Arena Fund was dissolved into the General Fund.



# City of Dover, New Hampshire

## Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2008	2009	2010 (1)	2011 (2)	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 3,948,069	\$ 2,309,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	3,273	3,821	3,144	4,094	3,189	2,910	4,711	3,313
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	732,278	806,786	823,847	666,026	742,947	548,143	623,698	651,658
Assigned	-	-	1,785,338	1,658,291	2,221,108	1,946,182	2,026,919	2,629,447	2,353,322	2,448,727
Unassigned	-	-	5,473,996	5,941,993	7,285,807	8,791,826	13,332,024	15,368,593	16,529,005	19,236,386
Unreserved	5,584,935	5,114,311	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 9,533,004</b>	<b>\$ 7,423,324</b>	<b>\$ 7,994,885</b>	<b>\$ 8,410,891</b>	<b>\$ 10,333,906</b>	<b>\$ 11,408,128</b>	<b>\$ 16,105,079</b>	<b>\$ 18,549,093</b>	<b>\$ 19,510,736</b>	<b>\$ 22,340,084</b>

## All Other Governmental funds

Nonspendable	\$ -	\$ -	\$ 1,587,830	\$ 1,846,692	\$ 1,914,358	\$ 1,904,659	\$ 2,220,330	\$ 2,307,402	\$ 2,294,202	\$ 2,450,521
Restricted Special Revenues	-	-	4,365,197	1,955,496	1,983,730	2,308,974	2,610,715	2,872,323	2,802,941	2,315,325
Restricted Capital Projects	-	-	13,874,051	5,645,164	6,844,332	4,161,412	31,080,546	18,509,670	71,973,699	44,531,415
Committed - Special Revenues	-	-	895,930	3,086,889	3,348,329	3,511,216	4,472,711	4,877,305	7,504,243	8,126,897
Committed - Capital Projects	-	-	322,107	784,738	1,439,523	2,243,338	2,870,797	3,771,215	4,507,685	4,475,215
Unassigned - Special Revenue	-	-	(1,215,514)	(1,207,470)	(1,172,470)	(1,046,459)	(912,035)	(1,255,994)	(1,490,241)	(1,334,461)
Unassigned - Capital Projects	-	-	(1,312,766)	(1,665,817)	(1,668,358)	(2,225,177)	(1,932,286)	(2,724,274)	(4,271,583)	(8,531,057)
Reserved	8,181,128	5,914,151	-	-	-	-	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	5,344,127	4,727,590	-	-	-	-	-	-	-	-
Capital Project Funds	2,070,246	6,315,773	-	-	-	-	-	-	-	-
<b>Total All Other Governmental funds</b>	<b>\$ 15,595,501</b>	<b>\$ 16,957,514</b>	<b>\$ 18,516,835</b>	<b>\$ 10,445,692</b>	<b>\$ 12,689,444</b>	<b>\$ 10,857,963</b>	<b>\$ 40,410,778</b>	<b>\$ 28,357,647</b>	<b>\$ 83,320,946</b>	<b>\$ 52,033,855</b>

Data Source:

Audited Financial Statements

Notes:

(1) Recalculated Fiscal Year 2010 fund balances to show comparison of GASB Statement No. 54 to Fiscal Year 2011.

(2) Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

# City of Dover, New Hampshire

## Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 55,528,287	\$ 58,276,107	\$ 60,176,461	\$ 61,609,630	\$ 64,983,178	\$ 66,991,169	\$ 69,598,135	\$ 71,934,718	\$ 74,132,284	\$ 77,811,230
Licenses and permits	4,458,346	4,347,705	4,230,271	4,706,025	4,485,076	5,177,215	5,359,187	6,241,899	6,388,773	7,191,396
Intergovernmental	6,914,873	10,778,255	11,704,972	8,669,775	8,154,896	8,155,189	7,366,969	7,159,590	7,138,834	11,193,558
Current service charges	7,272,458	7,082,059	6,880,432	7,689,502	7,341,861	7,056,148	7,452,330	7,990,234	7,695,901	8,393,955
Education	11,954,934	12,700,692	13,637,769	12,856,890	12,424,970	11,394,990	11,796,996	13,111,441	13,666,548	16,242,376
Miscellaneous revenue	2,456,173	2,238,920	651,276	1,392,214	692,808	992,739	3,097,091	1,664,654	1,754,994	1,761,108
Total revenues	88,585,071	95,433,738	97,281,181	96,924,036	98,082,789	99,767,450	104,670,708	108,102,536	110,777,334	122,593,623
<b>Expenditures</b>										
General government	\$ 4,667,786	\$ 3,897,489	\$ 4,254,050	\$ 4,194,840	\$ 4,047,895	\$ 4,254,368	\$ 4,131,144	\$ 4,719,204	\$ 5,483,243	\$ 4,571,895
Public safety	12,315,515	12,983,903	14,529,070	14,169,409	13,961,389	14,674,961	15,606,039	15,909,318	17,334,689	18,018,344
Public works	5,396,667	6,087,921	8,677,677	4,456,543	5,371,344	3,001,813	4,899,207	5,239,379	4,969,552	6,514,816
Culture and recreation	2,724,950	3,799,731	3,713,823	3,558,306	3,577,308	3,605,724	3,890,294	3,915,032	4,090,534	4,223,594
Education	42,991,635	44,840,166	44,017,518	46,812,153	45,773,509	46,140,129	46,109,607	49,009,498	52,081,238	53,076,911
Public Welfare	1,067,523	1,129,423	1,205,134	1,220,988	1,307,385	1,432,589	1,186,220	1,113,325	1,161,043	1,032,223
Intergovernmental	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565	8,331,912	8,513,779
Capital outlay (1)	14,066,205	13,032,244	11,501,504	11,934,296	5,015,237	8,711,942	6,652,837	16,098,818	24,839,436	39,331,111
Debt service										
Principal	6,215,838	6,645,849	6,624,599	6,954,496	7,758,142	6,871,400	6,682,111	7,380,850	7,392,481	6,708,411
Interest	3,350,916	3,148,136	3,307,087	3,484,400	3,181,159	3,239,002	3,032,425	3,744,660	3,770,812	6,607,934
Total expenditures	98,719,256	102,337,185	104,861,102	103,818,702	97,297,185	99,453,182	99,961,683	115,187,649	129,454,940	148,599,018
<b>Excess of revenues</b>	<b>(10,134,185)</b>	<b>(6,903,447)</b>	<b>(7,579,921)</b>	<b>(6,894,666)</b>	<b>785,604</b>	<b>314,268</b>	<b>4,709,025</b>	<b>(7,085,113)</b>	<b>(18,677,606)</b>	<b>(26,005,395)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	-	\$ 8,545,000	\$ 9,839,000	\$ 250,000	\$ 4,800,000	\$ -	\$ 29,898,310	\$ 110,058	\$ 73,900,000	\$ -
Bond Premium	-	-	260,390	-	713,942	697,521	1,805,936	2,531,902	3,021,277	-
Refunding Bond Issuance	-	-	8,790,000	-	8,530,000	-	-	19,587,404	-	-
Payment to Refunding Escrow	-	-	(9,050,390)	-	(9,192,189)	-	-	(22,119,306)	-	-
Transfers in	1,093,416	1,498,009	1,178,796	1,513,089	1,594,601	1,891,438	1,495,120	1,483,906	4,322,379	3,894,520
Transfers out	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)	(3,686,379)	(3,658,760)	(4,117,968)	(6,856,543)	(6,346,868)
Total governmental activities	-	7,357,368	9,709,000	(762,049)	3,381,502	(1,077,420)	29,540,606	(2,524,004)	74,387,113	(2,452,348)
<b>Net Change in fund balances</b>	<b>\$ (10,134,185)</b>	<b>\$ 453,921</b>	<b>\$ 2,129,079</b>	<b>\$ (7,656,715)</b>	<b>\$ 4,167,106</b>	<b>\$ (763,152)</b>	<b>\$ 34,249,631</b>	<b>\$ (9,609,117)</b>	<b>\$ 55,709,507</b>	<b>\$ (28,457,743)</b>

Debt Service as a percentage of non-capital outlay expenditures

Data Source:  
Audited Financial Statements

### Notes

- (1) Capital outlay expenditures are presented within other function categories on page 39.
- (2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

# City of Dover, New Hampshire

## Changes in Fund Balances, General Fund

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	Fiscal Year 2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 55,152,120	\$ 58,047,052	\$ 59,716,911	\$ 61,423,333	\$ 64,887,292	\$ 66,723,579	\$ 69,502,104	\$ 71,659,054	\$ 73,715,276	\$ 77,229,820
Licenses and permits	4,456,916	4,159,499	4,033,837	4,365,496	4,251,360	4,712,167	5,043,259	5,659,413	5,972,416	6,587,705
Intergovernmental	2,761,290	3,762,458	2,959,288	2,890,931	2,563,487	2,523,877	2,524,142	2,629,382	2,705,789	2,817,484
Current service charges	1,220,717	2,702,644	2,811,409	2,853,210	3,018,628	2,816,587	3,164,247	3,150,043	3,146,171	3,583,074
Education	11,954,934	12,700,692	13,637,769	12,856,890	12,424,970	11,394,990	11,796,996	13,111,441	13,666,548	16,242,376
Miscellaneous revenue	1,888,508	702,508	351,686	289,266	210,094	239,271	1,661,619	783,428	863,746	741,840
Total revenues	77,434,485	82,074,853	83,510,900	84,679,126	87,355,831	88,410,471	93,692,367	96,992,761	100,069,946	107,202,299
<b>Expenditures by Function</b>										
General government	4,691,917	3,870,728	3,935,300	4,216,767	4,082,660	4,296,218	4,428,283	4,628,669	5,228,131	4,773,060
Public safety	11,396,359	12,444,070	12,548,669	12,653,659	12,277,684	13,181,881	14,176,746	14,728,479	15,893,783	16,527,642
Public works	4,665,096	4,846,815	4,897,654	5,115,274	5,308,473	5,221,520	5,315,305	5,745,664	6,113,751	7,077,941
Culture and recreation	2,301,415	3,256,539	3,131,978	3,034,671	2,979,609	2,917,619	2,950,854	3,167,956	3,192,983	3,370,585
Education	37,141,062	39,029,285	40,382,145	40,029,006	40,131,390	41,077,160	41,226,133	44,021,229	46,490,579	47,858,521
Public Welfare	658,979	687,415	693,536	783,832	847,807	864,401	753,649	719,391	686,705	710,019
Intergovernmental	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817	7,521,254	7,771,799	8,057,565	8,331,912	8,513,779
Debt service										
Principal	6,010,838	6,425,849	6,404,599	6,724,496	6,615,142	6,563,165	6,367,111	6,751,550	6,784,173	6,074,135
Interest	3,146,722	2,964,280	3,121,893	3,308,006	3,010,759	3,062,533	2,871,076	3,245,410	3,258,405	6,125,814
Total expenditures	75,934,609	80,297,304	82,146,414	82,898,982	82,557,341	84,705,751	85,860,956	91,065,913	95,980,422	101,031,496
<b>Excess of revenues</b>	1,499,876	1,777,549	1,364,486	1,780,144	4,798,490	3,704,720	7,831,411	5,926,848	4,089,524	6,170,803
Over(under) expenditures										
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing			8,790,000		8,530,000			19,697,462		
Bond Premium			260,390		713,942		2,761	2,531,902	3,021,277	
Payment to Refunding Escrow			(9,050,390)		(9,192,189)			(22,119,306)		
Transfers in	32,000	-	515,856	578,650	137,624	1,036,554	521,291	525,076	707,613	3,005,413
Transfers out	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)	(3,666,379)	(3,658,760)	(4,117,968)	(6,856,543)	(6,346,868)
Total governmental activities	(1,061,416)	(2,685,641)	(792,940)	(1,946,488)	(2,875,475)	(2,629,825)	(3,134,708)	(3,482,834)	(3,127,653)	(3,341,455)
<b>Net Change in fund balances</b>	\$ 438,460	\$ (908,092)	\$ 571,546	\$ (166,344)	\$ 1,923,015	\$ 1,074,895	\$ 4,696,703	\$ 2,444,014	\$ 961,871	\$ 2,829,348

Data Source:  
Audited Financial Statements

### Notes

(1) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.



# City of Dover, New Hampshire

## Changes in Fund Balances, Special Revenue Funds

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2008	2009	2010	2011	Fiscal Year 2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	376,167	\$ 229,055	\$ 459,550	\$ 186,297	\$ 95,886	\$ 267,590	\$ 96,031	\$ 275,664	\$ 417,008	\$ 581,410
Licenses and permits	1,430	188,206	196,434	340,529	233,716	465,048	315,928	582,486	416,357	603,691
Intergovernmental	4,153,583	4,403,292	6,479,642	5,757,869	5,535,460	5,241,734	4,842,827	4,491,834	4,433,045	4,494,468
Current service charges	4,843,301	4,389,415	4,069,023	4,225,664	4,319,465	4,239,561	4,288,083	4,840,191	4,549,730	4,740,698
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	327,782	226,899	154,015	979,172	60,007	631,302	1,256,472	649,262	727,869	1,010,068
Total revenues	9,702,263	9,436,867	11,358,664	11,489,531	10,244,534	10,845,235	10,799,341	10,839,437	10,544,009	11,430,335
<b>Expenditures</b>										
General government	609,614	91,089	378,836	326,691	490,534	216,318	176,570	191,211	217,464	914,398
Public safety	1,403,243	2,027,429	1,859,906	1,747,205	1,866,562	1,730,498	1,413,487	1,724,658	1,326,013	1,571,474
Public works	1,052,042	1,014,447	1,098,536	990,977	838,577	884,639	827,878	908,303	1,023,337	955,478
Culture and recreation	519,747	740,989	761,471	705,093	701,043	804,904	924,449	973,505	1,002,790	1,071,642
Education	5,855,883	6,046,817	6,922,299	6,628,473	5,943,857	5,474,992	5,071,911	5,385,791	5,681,952	5,392,435
Public Welfare	408,544	442,008	511,598	437,156	459,578	568,188	432,571	393,934	474,338	322,204
Debt service										
Principal	205,000	220,000	220,000	230,000	245,000	308,235	315,000	629,300	608,308	634,276
Interest	204,194	183,856	185,194	176,394	170,400	176,469	161,350	499,250	512,407	482,120
Total expenditures	10,258,267	10,766,635	11,937,840	11,241,989	10,715,551	10,164,243	9,323,216	10,705,952	10,846,609	11,344,027
<b>Excess of revenues</b>	(556,004)	(1,329,768)	(579,176)	247,542	(471,017)	680,992	1,476,125	133,485	(302,600)	86,308
Over/(under) expenditures										
<b>Other Financing Sources (Uses)</b>										
Bond Premium							1,485			
Transfers in	1,061,416	1,398,009	1,107,940	962,102	1,215,884	1,352,958	915,640	1,154,435	3,569,924	3,655,930
Transfers out	-	(477,588)	(45,000)	(143,970)	(352,193)	(1,436,074)	(679,811)	(878,605)	(1,172,878)	(3,295,101)
Total governmental activities	1,061,416	920,421	1,062,940	818,132	863,691	(83,116)	237,314	275,830	2,397,046	360,829
<b>Net Change in fund balances</b>	\$ 505,412	\$ (409,347)	\$ 483,764	\$ 1,065,674	\$ 392,674	\$ 597,876	\$ 1,713,439	\$ 409,315	\$ 2,094,446	\$ 447,137

Data Source  
Audited Financial Statements

# City of Dover, New Hampshire

## Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
Revenues	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Intergovernmental	\$ -	\$ 2,612,505	\$ 2,266,042	\$ 20,975	\$ 55,949	\$ 389,578	\$ -	\$ 38,374	\$ -	\$ 3,881,606
Current service charges	1,208,440	-	-	610,628	3,768	-	-	-	-	70,183
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	239,883	1,309,513	145,575	123,776	422,707	122,166	179,000	231,964	163,379	9,200
Total revenues	1,448,323	3,922,018	2,411,617	755,379	482,424	511,744	179,000	270,338	163,379	3,960,989
Expenditures										
Capital outlay	12,526,380	11,273,246	10,776,848	9,677,731	3,126,293	4,583,188	4,777,511	13,415,784	22,627,909	36,223,495
Debt service	-	-	-	-	898,000	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	12,526,380	11,273,246	10,776,848	9,677,731	4,024,293	4,583,188	4,777,511	13,415,784	22,627,909	36,223,495
Excess of revenues	(11,078,057)	(7,351,228)	(8,365,231)	(8,922,352)	(3,541,869)	(4,071,444)	(4,598,511)	(13,145,446)	(22,464,530)	(32,262,506)
Over(under) expenditures										
Other Financing Sources (Uses)										
Proceeds from borrowing	-	8,545,000	9,839,000	250,000	4,800,000	-	29,898,310	-	73,900,000	-
Bond Premium	-	-	-	-	-	697,521	1,801,690	-	-	-
Transfers in	-	577,588	-	219,760	612,500	938,000	738,000	683,000	1,217,720	1,424,948
Transfers out	-	-	(400,000)	(103,453)	(19,214)	-	-	-	-	(896,670)
Total governmental activities	-	9,122,588	9,439,000	366,307	5,393,286	1,635,521	32,438,000	683,000	75,117,720	528,278
Net Change in fund balances	\$(11,078,057)	\$ 1,771,360	\$ 1,073,769	\$ (8,556,045)	\$ 1,851,417	\$ (2,435,923)	\$ 27,839,489	\$ (12,462,446)	\$ 52,653,190	\$ (31,734,228)

Data Source:  
Audited Financial Statements

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services	Revenue	Transfers In	Total	Operations & Maintenance	Depreciation	Expenses Interest Expense	Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
2017	\$ 643,618	\$ 11,250,025	\$ 1,916,315	\$ -	\$ 13,811,958	\$ 5,622,790	\$ 2,948,731	\$ 841,995	\$ 365,244	\$ 9,778,760	\$ 4,033,198	-	\$ 65,215,954
2016	51,657	11,413,360	804,359	-	12,269,376	5,501,935	3,066,959	771,963	347,708	9,706,565	2,560,811	-	61,182,756
2015	1,286,927	10,939,089	585,001	-	12,790,917	5,518,208	3,246,709	1,030,363	150,414	9,945,694	2,845,223	(2,454,975)	58,621,945 (1)
2014	6,243	10,010,778	1,400,564	-	11,417,585	5,581,599	3,220,880	969,352	122,670	9,794,501	1,623,084	(1,872,149)	58,231,697 (2)
2013	885,997	9,265,928	1,270,693	-	11,422,618	5,469,957	3,178,004	817,676	95,382	9,561,019	1,861,599	-	58,480,762
2012	-	8,575,866	472,362	-	9,048,228	5,405,306	3,012,690	653,783	89,198	9,160,977	(112,749)	-	56,619,163
2011	-	8,548,760	378,962	-	8,927,752	5,069,692	2,748,164	823,894	47,880	8,689,630	238,122	-	56,731,912
2010	-	7,691,639	515,069	-	8,206,708	5,366,058	2,869,111	937,184	-	9,172,353	(965,645)	-	56,493,790
2009	-	7,729,875	781,269	-	8,511,144	5,113,880	2,708,927	1,012,204	1,607	8,836,598	(325,454)	-	57,459,438
2008	-	7,858,489	627,483	-	8,485,972	4,718,312	2,637,288	1,091,442	-	8,447,042	2,773,256	-	57,784,892 (3)

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services	Revenue	Transfers In	Total	Operations & Maintenance	Depreciation	Expenses Interest Expense	Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
2017	\$ 639,160	\$ 4,659,866	\$ 299,766	\$ -	\$ 5,598,792	\$ 2,239,227	\$ 926,373	\$ 321,639	\$ 110,289	\$ 3,597,528	\$ 2,001,264	-	\$ 26,334,768
2016	46,579	4,961,889	406,511	-	5,414,979	2,175,472	897,884	375,536	85,454	3,534,346	1,880,633	-	24,333,504
2015	89,074	4,827,712	253,867	-	5,170,653	2,297,357	883,272	489,923	96,570	3,767,122	1,403,531	(1,860,659)	22,452,871 (1)
2014	3	4,541,353	407,033	-	4,948,429	2,308,745	887,135	480,445	89,129	3,765,466	1,182,963	(744,279)	22,909,999 (2)
2013	600,000	4,392,738	635,083	-	5,627,821	2,293,021	877,890	428,263	75,005	3,674,179	1,953,642	-	22,471,315
2012	-	4,147,280	299,019	-	4,446,299	2,412,373	837,175	369,039	75,552	3,694,139	752,160	-	20,517,673
2011	-	4,221,145	118,455	-	4,339,600	2,227,709	741,785	444,874	42,059	3,456,427	883,173	-	19,765,513
2010	-	3,820,888	148,106	-	3,969,994	2,397,882	903,461	444,208	-	3,745,551	223,443	-	18,882,340
2009	-	3,876,794	129,468	-	4,006,262	2,310,328	575,562	476,735	-	3,362,625	643,857	-	18,659,901
2008	-	3,864,462	199,090	-	4,063,572	2,263,253	644,602	522,187	-	3,430,042	1,271,514	-	18,015,246 (3)

Sewer Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Charges for Services	Revenue	Transfers In	Total	Operations & Maintenance	Depreciation	Expenses Interest Expense	Transfers Out	Total	Increase (Decrease) Total Net Position	Restatement (2)	Total Net Position
2017	\$ 4,458	\$ 6,590,159	\$ 1,618,549	\$ -	\$ 8,213,166	\$ 3,393,563	\$ 2,022,358	\$ 520,356	\$ 254,955	\$ 6,181,232	\$ 2,031,934	-	\$ 38,881,186
2016	5,078	6,451,471	397,848	-	6,854,397	3,328,463	2,189,075	396,427	262,254	6,174,219	1,880,178	-	36,849,252
2015	1,197,753	6,111,377	311,134	-	7,620,264	3,220,851	2,363,437	940,440	53,844	6,178,572	1,441,692	(594,316)	36,169,074 (1)
2014	6,240	5,469,385	993,531	-	6,469,156	3,272,842	2,333,745	388,907	33,541	6,029,035	440,121	(1,127,570)	35,321,698 (2)
2013	285,997	4,873,190	635,610	-	5,794,797	3,176,936	2,300,114	389,413	20,377	5,866,840	(92,043)	-	36,009,447
2012	-	4,428,586	173,343	-	4,601,929	2,992,933	2,175,515	284,744	13,646	5,466,838	(864,909)	-	36,101,490
2011	-	4,327,615	260,537	-	4,588,152	2,841,983	2,006,379	379,020	5,821	5,233,203	(645,051)	-	36,966,399
2010	-	3,870,751	366,963	-	4,237,714	2,868,176	1,965,650	492,976	-	5,426,802	(1,189,088)	-	37,611,450
2009	-	3,853,081	651,781	-	4,504,862	2,803,532	2,133,365	535,469	1,607	5,473,973	(969,111)	-	38,900,537
2008	-	3,994,007	428,393	-	4,422,400	2,455,059	1,992,686	569,255	-	5,017,000	1,501,742	-	39,769,646 (3)

Data Source:  
Audited Financial Statements

Notes:  
(1) Total Net Position as restated for Fiscal Year ending June 30, 2015. Restatement resulting from implementation of GASB No. 75.

(2) Total Net Position as restated for Fiscal Year ending June 30, 2014. Restatement resulting from implementation of GASB No. 68.

(3) Total Net Position as restated for Fiscal Year ending June 30, 2008. Restatement resulting from adjustment of capital asset values and accumulated depreciation for capital contributions.



# City of Dover, New Hampshire

## General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Tax Interest & Penalties	Total
2017	\$ 77,202,997	\$ 130,192	\$ 20,372	\$ 4,941	\$ 101,808	\$ 3,817	\$ 347,103	\$ 77,811,230
2016	73,539,636	111,844	22,167	3,077	79,939	9,300	366,320	74,132,283
2015	71,132,393	176,168	19,844	19,447	67,975	7,127	412,269	71,835,223
2014	68,899,121	96,031	21,982	1,851	71,664	5,914	501,572	69,598,135
2013	66,181,631	267,591	18,283	2,064	76,435	2,547	442,619	66,991,169
2012	64,367,156	95,886	20,449	7,717	68,428	9,892	413,650	64,983,178
2011	60,971,187	186,297	16,903	4,651	75,847	2,083	352,662	61,609,630
2010	59,336,642	459,550	17,366	1,560	54,384	3,600	303,359	60,176,461
2009	57,638,349	229,055	16,177	1,096	78,157	5,484	307,789	58,276,107
2008	54,815,889	376,170	17,595	15,319	33,579	3,581	266,157	55,528,290

Data Source:  
Audited Financial Statements

# Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels	
		Amount	% of Levy				Amount	% of Levy	in Levy	% Liened
2017	\$ 76,921,421	\$ 74,654,336	97.1%	\$ 2,267,085	-	\$ 2,267,085	\$ 74,654,336	97.1%	10,139	2.2%
2016	73,694,589	71,204,095	96.6%	2,490,494	1,863,113	627,381	\$ 73,067,208	99.1%	10,092	2.5%
2015	70,970,925	68,361,482	96.3%	2,609,443	2,290,215	319,228	70,651,697	99.6%	10,058	2.4%
2014	68,263,833	65,462,206	95.9%	2,801,627	2,712,764	88,863	68,174,970	99.9%	10,026	2.8%
2013	66,147,949	63,043,571	95.3%	3,104,378	3,033,847	70,531	66,077,418	99.9%	9,950	3.1%
2012	64,548,459	61,508,390	95.3%	3,040,069	3,023,322	16,747	64,531,712	100.0%	9,899	3.6%
2011	61,316,723	58,300,049	95.1%	3,016,674	2,969,133	47,541	61,269,182	99.9%	9,873	3.7%
2010	59,722,532	56,637,028	94.8%	3,085,504	3,077,450	8,054	59,714,478	100.0%	9,825	4.2%
2009	57,813,956	55,182,839	95.4%	2,631,117	2,629,291	1,826	57,812,130	100.0%	9,808	3.9%
2008	55,140,420	52,827,214	95.8%	2,313,206	2,301,603	11,603	55,128,817	100.0%	9,685	3.0%

Data Source:

Audited Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax deeded.

# City of Dover, New Hampshire

## Assessed and Estimated Full Value of Real Property

Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)				Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Ratio of Total Assessed Value to Total Estimated Full Value	
	Residential	Commercial/Industrial	Utilities	Total Assessed Value					Estimated Full Value (2)	Full Value
2017	\$ 2,178,038,820	\$ 737,039,940	\$ 59,357,800	\$ 2,974,436,560	\$ 47,332,500	\$ 2,927,104,060	\$ 26.29	\$ 3,256,575,668	91.4%	
2016	2,060,963,970	710,335,810	56,106,100	2,827,405,880	48,728,100	2,778,677,780	26.61	3,104,875,672	91.2%	
2015	2,040,692,330	705,528,690	48,496,900	2,794,717,920	48,686,100	2,746,031,820	26.01	2,967,795,696	94.3%	
2014	1,956,116,310	698,825,840	42,375,900	2,697,318,050	48,017,600	2,649,300,450	25.97	2,850,372,307	94.7%	
2013	1,932,326,900	690,054,300	38,603,100	2,660,984,300	48,980,100	2,612,004,200	25.52	2,746,252,625	96.9%	
2012	1,924,887,500	678,660,400	38,603,100	2,642,151,000	49,544,400	2,592,606,600	25.12	2,716,654,840	97.3%	
2011	1,948,881,800	673,620,000	35,415,000	2,657,916,800	51,381,750	2,606,535,050	23.75	2,774,177,802	95.8%	
2010	1,934,577,500	666,109,800	35,400,900	2,636,088,200	52,866,750	2,583,221,450	23.33	2,768,903,096	95.2%	
2009	2,094,567,000	685,319,200	35,303,500	2,815,189,700	51,608,150	2,763,581,550	21.10	3,009,995,763	93.5%	
2008	2,195,273,500	655,131,100	35,579,100	2,885,983,700	50,914,700	2,835,069,000	19.63	3,028,004,490	95.3%	

### Data Sources:

- (1) State MS-1 Report of Assessed Values
- (2) NH Department of Revenue Administration's annual Equalization Survey



# City of Dover, New Hampshire

## Principal Taxpayers

### Current Year and Nine Years Ago

Taxpayer	Type of Business	2017 Assessed Value	Rank	Percentage of Total Assessed Value	2008 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	\$ 60,834,960	1	2.08 %	\$ 26,622,700	1	0.94 %
Public Service Co of NH	Utility	33,669,700	2	1.15	22,955,700	2	0.81
Northern Utilities Inc	Gas Utility	20,467,700	3	0.70	10,751,300	8	0.38
Wentworth Douglass Hospital	Hospital	16,997,800	4	0.58	-	-	-
Lilac Gardens LLC (Current)	Apartments	15,765,300	5	0.54	16,390,200	3	0.58
New Meadows (Prev)	Comm/Res Rentals	12,058,000	6	0.41	11,695,700	6	0.41
Coheco Mills Holdings (Current)	Supermarket	11,945,000	7	0.41	11,171,400	7	0.39
Dover Mills (Prev)	Scholastic Testing	11,225,390	8	0.38	13,996,500	5	0.49
851 Central Ave LLC (Current)	Apartments	10,244,400	9	0.35	9,688,600	10	0.34
Shaw's (Previously)	Elderly Housing	9,482,900	10	0.32	-	-	-
171 Watson Rd of Dover Holding Corp.	Comm/Res Rentals	-	-	-	16,042,600	4	0.57
Sawyers Mills Assoc Inc	Apartments	-	-	-	9,894,700	9	0.35
Dover Retirement Residence LLC							
Holgate Limited Partnership							
MSM Brothers, Inc							
Total Principal Taxpayers		\$ 202,691,150		6.92 %	\$ 149,209,400		5.26 %
Total Net Assessed Taxable Value		\$ 2,927,104,060			\$ 2,835,069,000		

Data Source:  
City of Dover Tax Warrant

## City of Dover, New Hampshire

### Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	Budgetary Use of				City Direct Rates						Overlapping Rate	Estimated Full Value Rate
	City	Fund Balance (1)	Total		Local		State		Total			
			City (2)		School (2)		School (3)		School			
2017	\$ 10.40	\$ -	\$ 10.40	\$ 10.59	\$ 2.39	\$ 12.98	23.38	\$ 2.91	\$ 26.29	\$ 23.59		
2016	10.47	-	10.47	10.65	2.49	13.14	23.61	3.00	26.61	23.77		
2015	10.09	-	10.09	10.50	2.49	12.99	23.08	2.93	26.01	24.03		
2014	9.99	-	9.99	10.54	2.51	13.05	23.04	2.93	25.97	24.10		
2013	9.71	-	9.71	10.38	2.55	12.93	22.64	2.88	25.52	24.24		
2012	9.54	-	9.54	10.26	2.50	12.76	22.30	2.82	25.12	23.94		
2011	8.93	-	8.93	9.57	2.55	12.12	21.05	2.70	23.75	22.26		
2010	8.55	-	8.55	9.54	2.52	12.06	20.61	2.72	23.33	21.70		
2009	7.57	-	7.57	8.79	2.31	11.10	18.67	2.43	21.10	19.33		
2008	7.23	-	7.23	8.02	2.31	10.33	17.56	2.07	19.63	18.33		

Data Source:  
NH State Department of Revenue Administration

#### Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

# City of Dover, New Hampshire

## Utility Fund Net Budget, Billable Volumes and Rates

Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)	
	Water	Sewer	Water	Sewer (3)	Water	Combined
2017	\$ 4,619,643	\$ 6,462,210	954,772	805,544	\$ 4.84	\$ 8.02
2016	4,451,653	6,283,897	934,160	835,870	4.77	7.52
2015	4,444,877	6,110,151	947,574	844,781	4.69	7.24
2014	4,500,308	5,656,509	958,837	866,185	4.69	6.53
2013	4,361,056	5,317,011	999,253	919,714	4.36	5.78
2012	3,980,328	5,036,855	999,253	919,714	3.97	5.43
2011	3,926,131	4,706,175	999,253	933,000	3.93	5.04
2010	3,847,648	4,426,221	1,019,000	933,000	3.78	4.74
2009	3,817,555	4,182,454	1,019,000	927,000	3.75	4.51
2008	3,597,404	4,069,946	1,019,000	927,000	3.53	4.39

Data Source:

City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.



# City of Dover, New Hampshire

## Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

Total Equalized Values				Apportionment of County Tax Levy				
Tax Year	Dover	Strafford County	Dover's %	Fiscal Year	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change
2015	\$ 3,104,875,672	\$ 10,983,881,376	28.2675638%	2017	\$ 30,118,545	\$ 8,513,779	\$ 181,867	2.2%
2014	2,967,795,696	10,572,839,297	28.0699972%	2016	29,682,628	8,331,912	274,347	3.4%
2013	2,850,372,307	10,234,553,869	27.8504793%	2015	28,931,512	8,057,565	285,766	3.7%
2012	2,746,252,625	9,955,978,829	27.5839540%	2014	28,175,072	7,771,799	250,545	3.3%
2011	2,716,654,840	9,932,175,396	27.3520627%	2013	27,497,936	7,521,254	217,437	3.0%
2010	2,776,723,718	10,188,669,097	27.2530562%	2012	26,800,000	7,303,817	270,546	3.8%
2009	2,771,603,605	10,535,297,254	26.3077874%	2011	26,744,561	7,033,271	2,631	0.0%
2008	3,012,848,041	11,251,423,584	26.7774830%	2010	26,255,790	7,030,640	258,317	3.8%
2007	3,030,963,132	11,365,940,726	26.6670679%	2009	25,395,827	6,772,323	850,102	14.4%
2006	2,957,658,251	11,428,976,216	25.8785931%	2008	22,884,637	5,922,221	172,016	3.0%

Data Sources:

NH Department of Revenue Administration Equalization Surveys

County Tax Warrants

Adopted Strafford County Budgets

# City of Dover, New Hampshire

## Ratios of Long Term Debt Outstanding and Legal Debt Limits Last Ten Fiscal Years

Debt at June 30	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Depts. (Includes Arena) (1)	\$ 41,974,543	\$ 48,729,256	\$ 48,276,316	\$ 44,001,511	\$ 43,702,119	\$ 39,269,915	\$ 64,335,473	\$ 58,026,694	\$ 57,681,422	\$ 52,742,284
School Dept.	29,132,861	27,408,664	31,196,755	28,640,814	26,037,769	23,658,574	21,809,216	18,833,607	94,393,507	92,147,520
Total Governmental Activities	71,107,404	76,137,920	79,473,071	72,642,325	69,739,888	62,928,489	86,144,689	77,460,301	152,074,929	144,889,804
Water Fund	11,573,000	10,763,000	11,344,000	10,334,000	10,083,800	12,505,800	12,358,176	10,965,000	10,940,238	9,818,205
Sewer Fund	11,538,000	11,428,000	10,815,000	8,957,500	10,660,600	9,863,341	11,810,931	11,674,420	11,189,709	19,547,770
Arena Fund	2,813,960	-	-	-	-	-	-	-	-	-
DBIDA Fund	2,121,775	1,983,435	1,841,189	1,794,773	-	-	-	-	-	-
Total Debt at June 30	\$ 95,154,139	\$ 100,012,355	\$ 103,473,260	\$ 93,728,598	\$ 90,544,288	\$ 85,297,630	\$ 110,313,796	\$ 100,099,721	\$ 174,204,876	\$ 174,255,779

Base Value for Debt Limits (2) \$ 3,060,293,656 \$ 3,040,617,437 \$ 2,768,903,096 \$ 2,774,177,802 \$ 2,714,253,993 \$ 2,743,418,578 \$ 2,847,426,767 \$ 2,964,737,895 \$ 3,101,733,726 \$ 3,252,898,677

Legal Debt Limits (% of Base Value)										
City - 1.75% thru 1998, 3% 1999 on (3)	\$ 91,808,810	\$ 91,218,523	\$ 83,067,093	\$ 83,225,334	\$ 81,427,620	\$ 82,302,557	\$ 85,422,803	\$ 88,942,137	\$ 93,052,012	\$ 97,586,960
School - 7% (3)	214,220,556	212,843,221	193,823,217	194,192,446	189,987,780	192,039,300	199,319,874	207,531,653	217,121,361	227,702,907
Water - 10% (3)	306,029,366	304,061,744	276,890,310	277,417,780	271,425,399	274,341,858	284,742,677	296,473,790	310,173,373	325,289,868
DBIDA - Industrial Parks (4)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings (5)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
DBIDA - Industrial Project (6)	230,878,696	225,215,176	210,887,056	212,633,344	211,372,080	212,878,744	215,785,444	223,577,434	226,192,470	237,954,925

Debt Against Legal Debt Limits										
City Depts. (Includes Arena)	39,454,960	40,012,470	40,171,288	36,903,240	37,226,320	33,202,108	45,694,305	40,803,024	40,656,460	39,396,668
School Dept.	29,132,861	27,408,664	31,196,754	28,640,814	26,037,769	23,658,574	21,809,216	18,833,607	94,393,507	92,147,520
Water Fund	11,573,000	10,763,000	11,344,000	10,334,000	10,083,800	12,505,800	12,358,176	10,965,000	10,940,238	9,818,205
DBIDA - Industrial Parks	845,000	595,000	345,000	100,000	-	-	-	-	-	-
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	1,881,775	1,823,435	1,761,189	1,694,773	-	-	-	-	-	-
Exempt from Legal Debt Limits (7)	16,266,543	19,409,786	18,635,029	16,055,771	17,136,399	15,931,148	30,452,099	29,498,090	28,214,671	32,893,386
Total Debt at June 30	\$ 95,154,139	\$ 100,012,355	\$ 103,473,260	\$ 93,728,598	\$ 90,544,288	\$ 85,297,630	\$ 110,313,796	\$ 100,099,721	\$ 174,204,876	\$ 174,255,779

Unused Capacity of Legal Debt Limits										
City Depts.	\$ 52,353,850	\$ 51,206,053	\$ 42,895,805	\$ 46,322,094	\$ 44,201,300	\$ 49,100,449	\$ 39,728,498	\$ 48,139,113	\$ 52,395,552	\$ 58,190,292
School Dept.	185,087,696	185,434,557	162,626,463	165,551,632	163,900,011	168,380,726	177,510,658	188,698,046	122,727,854	135,555,387
Water Fund	294,456,366	293,298,744	265,546,310	267,083,780	261,341,599	261,836,058	272,384,501	285,508,790	299,233,135	315,471,663
DBIDA - Industrial Parks	3,155,000	3,405,000	3,655,000	3,900,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	228,996,921	223,391,741	209,125,867	210,938,571	211,372,080	212,878,744	215,785,444	223,577,434	226,192,470	237,954,925

% of Legal Debt Limits Used										
City Depts.	43.0%	43.9%	48.4%	44.3%	45.7%	40.3%	53.5%	45.9%	43.7%	40.4%
School Dept.	13.6%	12.9%	16.1%	14.7%	13.7%	12.3%	10.9%	9.1%	43.5%	40.5%
Water Fund	3.8%	3.5%	4.1%	3.7%	3.7%	4.6%	4.3%	3.7%	3.5%	3.0%
DBIDA - Industrial Parks	21.1%	14.9%	8.6%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Buildings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Project	0.8%	0.8%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Data Source  
Audited Financial Statements

- Notes:
- (1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
  - (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
  - (3) Legal debt limit percentage rates set by NH State statute
  - (4) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
  - (5) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
  - (6) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
  - (7) Debt exempt from limits consists of Sewer debt, debt for hazardous waste remediation included in City Departments and Tax Increment Districts as set per NH State statute.

# City of Dover, New Hampshire

## Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt					% of Net Debt	
	City Depts.	Hospital	School Dept.	Total	Less Hospital Reimbursement	Less State School Aid	Tax Supported Debt
2017	\$ 52,742,284	\$ -	\$ 92,147,520	\$ 144,889,804	\$ -	\$ 4,763,164	\$ 140,126,640
2016	57,681,422	-	94,393,507	152,074,929	-	5,422,031	146,652,898
2015	58,626,694	-	18,833,607	77,460,301	-	6,096,850	71,363,451
2014	64,335,473	-	21,809,216	86,144,689	-	6,783,120	79,361,569
2013	39,269,915	-	23,658,574	62,928,489	-	7,491,870	55,436,619
2012	43,702,119	-	26,097,769	69,799,888	-	6,304,708	63,495,180
2011	44,101,511	-	28,640,814	72,742,325	-	6,919,599	65,822,726
2010	48,276,316	-	31,196,755	79,473,071	-	7,550,706	71,922,365
2009	48,729,256	-	27,408,664	76,137,920	-	8,194,361	67,943,559
2008	41,974,543	-	29,132,861	71,107,404	-	8,679,349	62,428,055

Fiscal Year	Business-Type Activities - General Obligation Debt					% of Personal Income	
	Water Fund	Sewer Fund	Arena Fund (3)	DBIDA Fund (4)	Total	Less State Aid Water and Sewer	Net Debt
2017	\$ 9,818,205	\$ 19,547,770	\$ -	\$ -	\$ 29,365,975	\$ 568,494	\$ 28,797,481
2016	10,940,238	11,189,709	-	-	22,129,947	108,725	22,021,222
2015	10,965,000	11,674,420	-	-	22,639,420	124,029	22,515,391
2014	12,358,176	11,810,931	-	-	24,169,107	139,367	24,029,740
2013	12,505,800	9,863,341	-	-	22,369,141	154,726	22,214,415
2012	10,083,800	10,660,600	-	-	20,744,400	170,169	20,574,231
2011	10,334,000	8,957,500	-	1,694,773	20,986,273	1,008,275	19,977,998
2010	11,344,000	10,815,000	-	1,841,189	24,000,189	2,051,383	21,948,806
2009	10,763,000	11,128,000	-	1,983,435	23,874,435	3,057,565	20,816,870
2008	11,573,000	11,538,000	2,813,960	2,121,775	28,046,735	3,804,551	24,242,184

Fiscal Year	Percentage of Net Debt to Actual Taxable				Total Debt	
	Total Primary Government	Less State and Hospital	Net Debt	Value of Property	Net Debt per capita (1)	% of Personal Income (2)
2017	\$ 174,255,779	\$ 5,331,658	\$ 168,924,121	5.8%	\$ 5,409	16.9%
2016	174,204,876	5,530,756	168,674,120	6.1%	5,450	17.4%
2015	100,099,721	6,220,879	93,878,842	3.4%	3,047	10.1%
2014	110,313,796	6,922,487	103,391,309	3.9%	3,371	11.3%
2013	85,297,630	7,646,596	77,651,034	3.0%	2,544	8.9%
2012	90,544,288	6,474,877	84,069,411	3.2%	2,771	9.7%
2011	93,728,598	7,927,874	85,800,724	3.3%	2,844	10.2%
2010	103,473,260	9,602,089	93,871,171	3.6%	3,130	11.5%
2009	100,012,355	11,251,926	88,760,429	3.2%	3,017	11.5%
2008	98,154,139	12,483,900	85,670,239	3.1%	3,392	11.3%

Data Source:  
Audited Financial Statements  
Assessing Department MS-1 Reports

Notes:

(1) Per capita ratio for FY2010 is based on 2010 U.S. Census data, all other years based on trended NH Office of Energy and Planning population estimates

(2) Personal Income ratios based on 2010 US Census amounts and trended NH Office of Energy and Planning estimates..

(3) In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund

(4) In Fiscal Year 2012 DBIDA General Obligation Debt was fully paid as part of a real estate sales transaction.



# City of Dover, New Hampshire

## Computation of Overlapping Debt Strafford County Long Term Debt (Last Ten Calendar Years)

Direct: City of Dover				
End of Fiscal Year	General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	
2017	\$ 144,889,804	100%	\$ 144,889,804	
2016	152,074,929	100%	152,074,929	
2015	77,460,301	100%	77,460,301	
2014	86,144,689	100%	86,144,689	
2013	62,928,489	100%	62,928,489	
2012	69,799,888	100%	69,799,888	
2011	72,742,325	100%	72,742,325	
2010	79,473,071	100%	79,473,071	
2009	76,137,920	100%	76,137,920	
2008	71,107,404	100%	71,107,404	

### Overlapping: Strafford County

Net General Obligation Debt			
End of Calendar Year	Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2016	\$ 12,409,792	28.2366592%	\$ 3,504,111
2015	13,928,991	28.2675638%	3,937,386
2014	14,818,054	28.0699972%	4,159,427
2013	16,394,326	27.8504793%	4,565,898
2012	18,182,190	27.5839540%	5,015,367
2011	19,740,000	27.3520627%	5,399,297
2010	21,535,000	27.2530562%	5,868,946
2009	23,474,863	26.3077874%	6,175,717
2008	21,027,839	26.7774830%	5,630,726
2007	22,762,838	26.6670679%	6,070,181

### Total Direct and Overlapping Debt

End of Fiscal Year	Direct Debt	Overlapping Debt	Total Applicable to Government
2017	\$ 144,889,804	\$ 3,504,111	\$ 148,393,915
2016	152,074,929	3,937,386	156,012,315
2015	77,460,301	4,159,427	81,619,728
2014	86,144,689	4,565,898	90,710,587
2013	62,928,489	5,015,367	67,943,856
2012	69,799,888	5,399,297	75,199,185
2011	72,742,325	5,868,946	78,611,271
2010	79,473,071	6,175,717	85,648,788
2009	76,137,920	5,630,726	81,768,646
2008	71,107,404	6,070,181	77,177,585

#### Data Sources:

- (1) Strafford County Audited Financial Statements at calendar year end
- (2) The percentage of the overlap is based on County apportionments determined by the NH Department of Revenue Administration. The City's apportionment is determined by the City's equalized property values as a percentage of the total equalized property values for all municipalities within Strafford County.

# City of Dover, New Hampshire

## Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)	
					Unemployed	Labor Force	City	State of NH US
2017	31,233	\$ 81,321	\$ 1,032,562,980	\$ 33,060	410	18,140	2.3%	2.7%
2016	30,947	80,591	1,000,052,305	32,315	420	18,070	2.3%	2.8%
2015	30,808	80,110	988,567,104	32,088	553	17,850	3.1%	3.7%
2014	30,669	82,242	974,446,137	31,773	710	18,261	3.9%	5.1%
2013	30,521	80,830	956,650,224	31,344	750	18,110	4.2%	5.1%
2012	30,343	79,180	938,053,845	30,915	870	18,240	4.8%	5.4%
2011	30,165	77,509	919,610,190	30,486	860	17,740	4.8%	5.2%
2010	29,987	75,820	901,319,259	30,057	910	17,390	5.2%	5.7%
2009	29,417	73,943	871,566,876	29,628	1,072	17,580	6.1%	6.8%
2008	29,236	72,066	874,127,164	29,899	638	18,240	3.5%	4.0%

### Data Sources:

- (1) 2010 data based on 2010 U.S. Census, all other years trended based on NH Office of State Planning population estimates.
- (2) 2010 data based on 2010 U.S. American Community Survey, all other years trended based on U.S. Census data.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.  
Reflects calendar year ending during fiscal year (mid-fiscal year).

# City of Dover, New Hampshire

## Principal Employers

Current Year and Nine Years Ago

	2017				2008			
	Employer	Type of Business	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
	Liberty Mutual Insurance Co	Insurance	2,979	1	16.42 %	2,722	1	14.92 %
	Wenworth Douglas Hospital	Hospital	1,537	2	8.47	1,150	2	6.30
	City of Dover (FTEs)	Municipality	802	3	4.42	858	3	4.70
	Stafford County	County Government	532	4	2.93	Unknown	-	-
	Measured Progress	Scholastic testing	225	5	1.24	420	4	2.30
	Community Partners of New Hampshire	Behavior/Development Services	193	6	1.06	-	-	-
	United Parcel Services (UPS)	Parcel Delivery	160	7	0.88	-	-	-
	Vygon USA DBA Churchill Medical	Manufacturer - medical items	99	8	0.55	230	5	1.26
	Certified Retail Solutions	Manufacturer - Retail Systems	81	9	0.45	-	-	-
	Dell Services	Defense Technology Contractor	90	10	0.50	-	-	-
	Fosters Daily Democrat	Newspaper	-	-	-	159	6	0.87
	Tissuelink Medical	Medical Supplies	-	-	-	155	7	0.85
	ATT	National Passport Center	-	-	-	150	8	0.82
	Park Nameplate	Nameplates for auto/cosmetics	-	-	-	142	9	0.78
	Electrocraft (EAD Motors)	Electric motors & fans	-	-	-	101	10	0.55
	Total Principal Employers		6,698		36.92 %	6,087		33.37 %
	Total City Employment (1)		18,140			18,240		

Data Source:  
Final Official Statements for City of Dover bond issues and information provided by City's Economic Development Office.

## Notes

(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.



## City of Dover, New Hampshire

### Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Finance</b>										
Taxable property parcels assessed	9,685	9,808	9,825	9,873	9,899	9,950	10,026	10,058	10,092	10,139
Property transfers processed	781	712	689	740	742	904	839	924	1,009	1,023
Motor vehicles registered	29,840	27,665	28,334	29,280	30,838	30,516	30,991	31,187	31,254	32,625
<b>Inspection Services Division</b>										
Number of inspections conducted (1)	1,278	4,227	5,112	4,598	5,203	6,211	6,201	6,387	6,540	6,130
Building Permits Issued	398	349	396	358	381	436	396	484	461	537
Estimated construction value in millions	\$ 53.51	\$ 33.74	\$ 29.82	\$ 47.90	\$ 23.78	\$ 50.08	\$ 37.61	\$ 80.35	\$ 58.56	\$ 223.18
<b>Police (2)</b>										
Physical arrests	1,213	908	789	844	819	923	857	860	820	675
Traffic violations	1,686	1,326	1,138	1,134	1,217	1,194	1,532	1,544	1,581	1,780
Parking violations	8,522	7,795	7,720	6,679	10,336	8,420	7,890	8,995	9,486	8,942
<b>Fire and Rescue</b>										
Calls answered	5,146	5,018	5,549	5,347	5,242	5,215	5,154	5,481	5,426	5,474
Emergency Responses	3,923	3,844	4,244	4,859	4,609	4,833	4,899	4,488	4,552	4,462
Fires extinguished	152	277	306	286	353	328	255	228	190	138
Number of inspections conducted									64	61
Emergency medical responses	2,692	2,349	2,614	2,945	2,880	2,873	2,824	3,335	3,387	3,264
<b>Community services - Public Works</b>										
Refuse collected (tons)	5,407	4,919	3,941	3,546	3,884	4,061	4,030	4,020	4,184	4,158
Recycling (tons)	3,036	2,532	2,518	2,493	2,472	2,529	2,419	2,583	2,583	2,630
<b>Public Library</b>										
Volumes in collections	104,004	107,701	104,639	104,974	101,715	99,937	102,090	113,484	109,691	97,868
Total volumes borrowed	290,402	299,346	288,512	296,225	291,515	293,757	286,512	276,232	282,793	291,842
<b>Public Welfare - General Assistance</b>										
Number of contacts	4,763	4,987	6,362	6,308	6,293	5,791	5,029	4,499	4,657	3,360
Assisted cases	685	685	1,651	1,924	1,982	1,839	1,541	620	1,270	1,192
<b>Water system:</b>										
Water main breaks	18	16	16	1	4	12	16	16	7	11
Daily average consumption (millions of gallons)	2.3	2.5	2.8	3.0	3.1	3.1	2.3	2.0	2.4	2.3
Peak daily consumption (millions of gallons)	3.6	3.5	3.2	3.7	4.1	3.6	4.6	2.4	3.0	3.0
<b>Sewage System:</b>										
Daily average treatment (millions of gallons)	2.9	3.1	2.6	2.5	2.5	2.4	2.5	2.5	2.5	2.6

Data Source:

Various city departments

Notes

(1) In FY 2009 the Building Inspection Division and Fire Inspection Division were combined into one Division.

(2) Calendar year ending during the fiscal year

# City of Dover, New Hampshire

## Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	9	9	9	9	9	9	10	10	10
Fire and Rescue										
Number of stations	2	3	3	3	3	3	3	3	3	3
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumps	3	4	4	4	4	4	4	5	5	5
Number of support vehicles	6	6	6	6	6	6	6	6	7	8
Number of ambulances	3	3	3	3	3	3	3	3	4	4
Community Services - Public Works										
Miles of streets	133	133	133	133	133	133	133	134	134	134
Miles of storm drains	67	69	69	69	69	70	70	73	73	74
Number of street lights	1,777	1,776	1,776	1,771	1,771	1,776	1,778	1,778	1,780	1,785
Number of bridges	11	11	12	12	12	12	12	12	12	12
Recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Number of parks	18	25	25	25	25	25	25	25	25	26
Park acreage	274	235	235	235	235	235	235	235	235	235
Playgrounds	12	15	15	15	15	15	15	15	15	15
Baseball/softball fields	10	6	6	6	6	6	6	6	6	6
Football/soccer fields	7	2	2	2	2	2	2	2	2	3
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	10	10	10	10	10	10	10	8	8
Indoor gyms	1	1	1	1	1	1	1	1	1	1
Indoor ice skating sheets	2	2	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	155	153	153	153	155	157	158	160	160	170
Number of service connections	8,156	8,218	8,270	8,321	8,490	8,500	8,558	8,604	8,669	8,651
Storage capacity in gallons (millions of gallons)	5	5	5	5	6	6	6	6	6	6
Maximum daily capacity of plant (millions of gallons)	5	5	5	5	5	5	5	5	5	5
Number of fire hydrants	1,107	1,107	1,107	1,130	1,156	1,156	1,156	1,176	1,193	1,206
Sewage System:										
Miles of sanitary sewers	120	120	120	122	122	123	123	125	128	130
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	7,398	7,464	7,542	7,569	7,786	7,829	7,900	7,999	7,863	7,491
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7

Data Source:

Various city departments

## City of Dover, New Hampshire

### City Government Employees by Function - Full Time Equivalents

Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Executive (1)	13.7	12.7	8.0	8.1	7.8	8.1	8.3	8.2	9.2	11.3
Finance (1)	16.0	16.0	20.0	20.0	20.0	20.3	20.9	21.1	20.6	22.2
Planning (2)	9.6	5.5	4.8	5.5	5.5	5.5	5.5	5.5	6.5	6.7
Total General Government	39.3	34.2	32.8	33.6	33.3	33.9	34.7	34.8	36.3	40.2
<b>Public Safety</b>										
Police - Sworn Officers	50.5	48.4	47.4	47.4	47.4	47.4	47.4	49.4	50.5	51.5
Police - Non-sworn employees	27.6	25.6	26.8	29.4	29.4	28.7	28.9	29.3	29.0	32.2
Total Police Department	78.1	74.0	74.2	76.8	76.8	76.1	76.3	78.7	79.5	83.7
Fire and Rescue (2)	54.6	61.1	61.7	61.7	61.4	60.5	61.2	61.5	66.7	68.3
Total Public Safety	132.7	135.1	135.9	138.5	138.2	136.6	137.5	140.2	146.2	152.0
<b>Public Works</b>										
General Fund functions	38.5	36.6	37.3	35.6	34.6	34.5	34.5	34.5	35.8	36.7
Water	13.0	13.0	11.0	10.5	10.5	10.5	10.5	10.5	9.3	8.5
Sewer	16.0	16.0	17.0	17.0	15.0	15.0	16.0	16.0	15.9	15.0
Fleet maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Public Works	72.5	70.6	70.3	68.1	65.1	65.0	66.0	66.0	66.0	65.2
<b>Culture and Recreation</b>										
Recreation	34.9	34.8	36.2	34.4	34.4	32.7	32.7	32.7	33.7	35.3
Public Library	14.8	13.8	13.5	13.4	13.4	13.9	13.9	14.1	14.8	14.9
Total Culture and Recreation	49.7	48.6	49.7	47.8	47.8	46.6	46.6	46.8	48.5	50.2
<b>Public Welfare</b>										
Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Public Welfare	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
<b>Total All Functions</b>	<b>297.0</b>	<b>291.3</b>	<b>291.5</b>	<b>290.8</b>	<b>287.2</b>	<b>284.9</b>	<b>287.6</b>	<b>290.6</b>	<b>299.8</b>	<b>310.4</b>
<b>Percent of Total</b>										
General Government	13.2%	11.7%	11.2%	11.6%	11.6%	11.9%	12.1%	12.0%	12.1%	13.0%
Public Safety	44.7%	46.4%	46.6%	47.6%	48.1%	47.9%	47.8%	48.2%	48.8%	49.0%
Public Works	24.4%	24.2%	24.1%	23.4%	22.7%	22.8%	22.9%	22.7%	22.0%	21.0%
Culture and Recreation	16.7%	16.7%	17.1%	16.4%	16.6%	16.4%	16.2%	16.1%	16.2%	16.2%
Public Welfare	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

#### Notes

(1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.

(2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.



# City of Dover, New Hampshire

## School Building Information Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Garrison Elementary</b>										
Square feet	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938	65,938
Teachers	31.5	31.7	33.7	34.2	28.3	27.3	27.1	29.1	29.3	28.0
Capacity	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5
Enrollment	512.0	541.0	536.0	555.0	464.0	452.0	469.0	470.0	474.0	440.0
<b>Horne Street Elementary</b>										
Square feet	48,236	48,236	48,236	58,223	58,223	58,223	58,223	58,223	58,223	58,223
Teachers	22.4	23.7	25.5	24.7	28.3	28.3	30.3	31.3	32.3	32.0
Capacity	612.5	612.5	612.5	620.5	620.5	620.5	620.5	620.5	620.5	620.5
Enrollment	358.0	365.0	370.0	400.0	508.0	507.0	516.0	534.0	511.0	491.0
<b>Woodman Park Elementary</b>										
Square feet	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178	105,178
Teachers	32.3	28.3	27.1	28.9	31.2	32.3	32.3	34.3	39.3	33.0
Capacity	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0	594.0
Enrollment	468.0	506.0	537.0	575.0	541.0	596.0	617.0	599.0	596.0	524.0
<b>Totals All Elementary Schools</b>										
Square feet	219,352	219,352	219,352	229,339	229,339	229,339	229,339	229,339	229,339	229,339
Teachers	86.2	83.7	86.3	87.8	87.8	87.9	89.7	94.7	100.9	93.0
Capacity	1,879.0	1,879.0	1,879.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0	1,887.0
Enrollment	1,338.0	1,412.0	1,443.0	1,530.0	1,513.0	1,555.0	1,602.0	1,603.0	1,581.0	1,455.0
<b>Dover Middle School</b>										
Square feet	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020
Teachers	72.9	69.4	67.7	65.9	67.7	66.7	67.5	69.7	70.5	73.0
Capacity	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
Enrollment	1,109.0	1,094.0	1,077.0	1,084.0	1,134.0	1,089.0	1,115.0	1,169.0	1,156.0	1,209.0
<b>Dover High School</b>										
Square feet	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670	234,670
Teachers	116.8	114.9	116.8	112.9	113.3	107.3	103.2	104.4	103.1	103.0
Capacity	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0
Enrollment	1,779.0	1,728.0	1,649.0	1,574.0	1,522.0	1,480.0	1,396.0	1,358.0	1,427.0	1,344.0
<b>Totals All Schools</b>										
Square feet	629,042	629,042	629,042	639,029	639,029	639,029	639,029	639,029	639,029	639,029
Teachers	275.9	268.0	270.8	266.6	268.8	261.9	260.4	268.8	274.5	269.0
Capacity	5,019.0	5,019.0	5,019.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0	5,027.0
Enrollment	4,226.0	4,234.0	4,169.0	4,188.0	4,169.0	4,124.0	4,113.0	4,130.0	4,164.0	4,008.0
<b>Food Service - All Schools</b>										
Number Meals Served	335,834	341,272	355,209	358,754	363,718	345,427	344,414	348,071	343,416	322,332
Avg Daily Participation	1,866	1,896	1,973	1,993	2,021	1,939	2,057	1,963	1,957	1,884

Data Source:  
School Department - as of official NH Department of Education reporting date: Oct 1st

# City of Dover, New Hampshire

## School Department Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Attendance Percentage
2017	\$ 49,542,420	\$ 6,589,819	\$ 56,132,239	4,119	\$ 13,628	12.4%	274.5	15.0	95.0%
2016	46,776,263	3,692,421	50,468,684	4,164	12,120	3.5%	274.5	15.2	95.0%
2015	44,456,755	3,892,349	48,349,104	4,130	11,707	4.3%	268.8	15.4	95.0%
2014	42,263,590	3,914,453	46,178,043	4,113	11,227	0.1%	260.4	15.8	94.9%
2013	42,264,590	3,988,329	46,252,919	4,124	11,216	2.2%	261.9	15.7	94.9%
2012	41,677,206	4,075,515	45,752,721	4,169	10,975	2.8%	268.8	15.5	94.8%
2011	40,468,900	4,245,221	44,714,121	4,188	10,677	-0.3%	266.6	15.7	94.7%
2010	40,699,081	3,934,140	44,633,221	4,169	10,706	5.5%	270.8	15.4	94.6%
2009	39,216,997	3,761,337	42,978,334	4,234	10,151	3.1%	268.0	15.8	94.6%
2008	37,912,706	3,689,854	41,602,560	4,226	9,844	7.4%	275.9	15.3	95.2%

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

(1) Budget is for the General Fund only and excludes grant funds and cafeteria fund.

(2) Enrollment is based on start of year census.

# City of Dover, New Hampshire

## School Educational and Service Information

Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Dover High School</b>										
Senior Enrollment (1)	393	391	382	350	363	327	315	315	315	349
<b>Status of Seniors (2)</b>										
Graduated	366	352	378	337	345	336	308	308	313	288
Enrolled in four-year college	162	180	177	158	153	141	157	133	166	141
Enrolled in two-year college	84	70	88	63	74	104	76	74	62	63
Enlisted in Armed Forces	18	10	14	11	9	7	13	6	14	12
Post-secondary, workforce or other	102	92	99	105	109	84	69	95	71	72
<b>SAT Mean Scores</b>										
Verbal	512	497	500	495	509	509	501	516	525	494
Math	517	507	508	501	511	521	513	510	520	516
% of Seniors taking test	62%	63%	60%	61%	66%	63%	65%	55%	66%	88%

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

(1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.

(2) As of end of fiscal year.







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